

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MAY 23, 1935

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## **ALL RISK PUBLIC LIABILITY** *Policy*

**—CREATES EXCEPTIONAL SERVICE  
OPPORTUNITIES FOR BROKERS AND AGENTS**

• So broad—so all inclusive is the coverage given by this new All Risk policy—it almost sells itself. It offers a long needed, complete protection. • Here is a policy that consolidates in a *single contract* (1) all the usual or standard public liabilities, and (2) those harassing *unknown* and unforeseen contingencies which occur all too frequently. • The policy includes liability coverages such as: responsibility of corporate officers, products liability, elevator liability, etc. The wording is clear, concise and fully understandable. It means exactly what it says—ALL RISK covers both known and unknown hazards. Automatically, it removes “liability worry” from an insurance buyer’s shoulders. • The genuine value of this

wide coverage to the insured has been proved through actual experience—by the selected concerns for whom the policy was originally created. Yet, it is so flexible that no matter where you operate, you will find many prospects for this particular contract. Large retailers, chain stores, department stores, wholesalers, distributors and manufacturers all have positive need for it. • Here is a real opportunity for brokers and agents to secure new business and to strengthen their position with present clients.

• Write us now for complete facts concerning this new All Risk Public Liability Policy. It is underwritten by the largest and most favorably known—

Perhaps you have some “out of the ordinary” cases. Let us help you with them. Take advantage of this organization’s wide experience in placing unusual contracts that are not obtainable through the ordinary sources.

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*at London, England*  
OBTAINABLE THROUGH  
**R.N. CRAWFORD and CO.**  
INC.  
INSURANCE EXCHANGE ... *Chicago* ... TELEPHONE WABASH 2637

# Great American Insurance Company New York

INCORPORATED - 1872

W. H. KOOP, President



## OLD FASHIONS AND NEW

*We can properly be proud of being old fashioned*

In the soundness of the company's underwriting policy;  
In its friendly consideration for agents and their needs;  
In its adherence to every rule of correct practice;  
In its unquestioned financial standing,

*Yet feel an even greater measure of pride in that*

The company's well proven policies have always been  
so easily adapted to the requirements of the day.

*Today's business needs are not those of a few years ago.*

NEW IDEAS must develop; new methods are needed,  
but the basic principle of fair dealing with agents and  
policyholders can never change.

### WESTERN DEPARTMENT

310 South Michigan Avenue :-: CHICAGO, ILL.

C. R. STREET, Vice President G. D. GREGORY, Secretary





# The National Underwriter

Thirty-Ninth Year—No. 21

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 23, 1935

\$4.00 Per Year, 20 Cents a Copy

## Mutual Clearance Battle Launched

First Shot in W. U. A. Program  
Is Fired in Michigan  
Campaign

### INSPIRE THE FIELD MEN

Offensive Is Opened to Dislodge the  
Cooperatives From the Organi-  
zation Agency Plant

Indications are that machinery is being set in motion by the Western Underwriters Association to prevent the mutual companies from gaining further foothold in the organization plant and to expel those mutuals which are now lodged in such agencies.

At the recent annual meeting of the Western Underwriters Association the problem created by the wooing of organization agents by mutuals was treated with much earnestness. The matter of mutual competition in recent years has become complicated because some of the participating companies have undertaken to develop an agency business in addition to that produced by the solicitation of salaried representatives or strictly mutual commissioned agents.

#### Resent the Intrusion

The organization stock companies resent the fact that mutual companies, in developing their agency business, are seeking to win a place in existing agencies rather than building a plant of their own.

The organization companies regard the organization, stock company plant with a proprietary feeling. They say that they brought these agents into the business, and have operated in such a way as to provide an orderly and profitable market for the agents. They say the agents owe the organization companies their allegiance; that the agent must stand by his principal, since the fortunes of the two go hand in hand.

#### Stimulating the Field Men

One of the states in which a program of clearance against the mutuals is being launched aggressively is Michigan. Although the Michigan agency plant is reported to be well cleared so far as non-affiliated stock companies are concerned, the mutuals have been getting into a good many of the representative agencies. This is particularly true outside of Detroit. The field men in that state are being given a shot in the arm and fired with zeal for the crusade. In that state an attempt will probably be made to clear the agencies of non-organization automobile companies, mutual and stock, as well as the mutual fire companies.

Many of the company executives have come to the conclusion that the field men are in need of stimulation. They feel that the special agents have weakened in their resistance to the inroads of mutual companies and the outside market in

(CONTINUED ON LAST PAGE)

## Trends of the Times As Seen in the Present Skies

By George A. Watson

### EFFECT OF PROSPERITY

Company officials, while appreciating that the comparative freedom from severe losses has enabled them to recoup in some degree the heavy drains of previous years, yet realize that fire losses are still subject to the law of average, and that the present wheel of good fortune is apt to reverse itself at any time.

It has been the history of the fire business that companies can stand adversity more easily than prosperity. In times of stress it is easy to secure effective cooperation and reformative action, while in days of reduced loss ratios sound underwriting practices, if not discarded, are yet shaded considerably, creating conditions that lead to friction both in associations and in the field. Reports that unethical methods are already being employed in certain directions are current, and doubtless have a basis in fact. Appreciating the temptation to cut corners in these days of keen business competition, broad-visioned executives are cautioning their special agents to hold fast to established regulations, and not be led astray by false gods. They point out that the life of the cut-rater or the too liberal line writer has been, and always will, be a limited one. Institutions that have stood the test of the years, through seasons of adversity as well as of prosperity are those that have held to sound underwriting principles.

### PINK'S APPOINTMENT PLEASING

General satisfaction is voiced by the insurance interests over the appointment by Governor Lehman of New York of Louis H. Pink as superintendent of insurance. Earlier fear had been voiced that the office might go to one having but little claim to the post other than that he was a political district leader. The insurance department of the Empire State is far and away the most important of its kind in the country. The interests under its immediate supervision far surpass those of any other state. As a consequence the New York department is more liberally staffed than that of any other state and hence is in a position to supervise closely the interests entrusted to its care.

### PREFABRICATED HOUSES

Just what effect the erection of prefabricated homes, should the demand for such type of residence become popular, will have on fire insurance interests is causing speculation among underwriters, as well as economists. As against the theory that the average home builder desires individuality in the style of home he erects or purchases, instead of being restricted to limited type of design, is the fact that orders for prefabricated houses received by one of the large department stores of this city reached such numbers within three weeks after a model was first displayed, that sales were restricted to a strictly cash basis, instead of the installment payment plan initially adopted. Prefabricated houses are designed to sell from \$3,500 to \$10,000 each, according to size and design. Should they be-

come popular, labor will be adversely affected, in that there will be little call for carpenters, masons, plumbers or electricians, all work of such character being done at factories and the buildings erected much as are made-to-order garages at the present time.

### FIRE LOSSES STILL LOW

Fire losses the country over continue relatively light, the aggregate for the first four months, according to figures compiled by the National Board, being less by \$16,064,599 than those for the corresponding period of 1934, and \$38,633,503 below the record of the first four months of 1933. Various theories are held as to the reason for the steady decline in the fire record, economic conditions being generally regarded as an important contributing factor. Other influences unquestionably are improved building construction, enforcement of sane building ordinances by municipalities, an advance of fire protection facilities and a more militant attitude toward arsonists on the part of public authorities.

### HARD ON THE ADJUSTERS

Gratifying as is the reduction in losses to the companies and particularly to those having contingent commission arrangements, it is anything but pleasant to adjusters, and especially to the independent men, who must rely upon fees to meet office and living expenses. Many of those men admit they are fast exhausting their reserve accounts and are pondering as to how much longer they can stand the strain. Adjusters on salary, obviously, are in better position, and yet they too, are none too sure as to how long they can hold connections under existing conditions. One result of the falling off in the number of losses has been that claims can be adjusted more promptly than has been true previously; a condition that appeals to agents, brokers and assured.

### NO NEW COMPANIES PROMOTED

In marked contrast to conditions in the highly prosperous days prior to the debacle in the stock market in October, 1929, no talk is heard now of the formation of new fire companies. It is appreciated that capital now in the field is more than adequate, and is likely to prove so for years to come. Certainly the companies now operating could take on millions of additional liability.

## Four State Agents' Meets Reported in This Issue

Many state agents associations are holding their annual meetings at this time. In this issue full reports are given on the annual gatherings of the Texas Association of Insurance Agents, the Arkansas, New York and South Carolina associations.

## Commissioners to Have Fine Meeting

Complete Program Announced for  
Seattle Annual Gathering  
July 9-12

### ENTERTAINMENT PLANNED

Foster, Sullivan, Mortensen and McClain  
to Give Talks—Discussions  
Are Scheduled

OKLAHOMA CITY, May 22.—The National Convention of Insurance Commissioners gathering at Seattle July 9-12 promises the superlative, not only in attendance but in educational value of the program and a wealth of entertainment and sightseeing such as only the great northwest can provide, Secretary Jess G. Read observed in releasing the following program:

#### Monday, July 8

Meetings of executive and other committees called by the chairmen.

#### Tuesday, July 9

Response to welcome addresses, C. A. Gough, New Jersey, chairman executive committee.

President's annual address, Dan C. Boney, North Carolina.

Secretary's report, Jess G. Read, Oklahoma.

#### Wednesday, July 10, Morning

Address by R. Leighton Foster, Ontario.

Discussion, W. V. Knott, Florida.

Address, "Western Insurance," William A. Sullivan, Washington.

Discussion, Joseph S. Tobin, Tennessee.

#### Friday, July 12, Morning

Address, "State Insurance," Harry J. Mortensen, Wisconsin.

Discussion, Ernest Palmer, Illinois.

Address, "New Ideas in Insurance," Harry E. McClain, Indiana.

Discussion, George D. Riley, Mississippi.

#### Afternoon

Executive session of commissioners.

Election of officers.

Adjournment.

Headquarters for those going on the special train that will leave Chicago at 9 p. m. July 4, will be the La Salle hotel. All expecting to go on the special train should secure reservations from Deputy Commissioner C. A. Gough, Trenton, N. J.

#### Chicago Function Scheduled

As a special courtesy, commissioners and their guests have been invited by M. A. Kern, president Alliance Life of Peoria, Ill., to a buffet luncheon July 4 at his home, the Lexington Saddle Farm, in the suburbs of Chicago, after which the group will be his guests for the afternoon at Arlington Park for the Stars and Stripes handicap.

En route for Seattle, members of the party who desire may leave the train at Glacier Park and spend the day motoring along the eastern slopes of the Rockies. A wealth of sightseeing and

(CONTINUED ON LAST PAGE)

## Bureau Protests Free Hail Rule

Appeals to Western Actuarial Bureau to Reconsider Its Action

### CLARK NOW PRESIDENT

Western Manager of the Firemen's Is Also Chosen as Chairman of the Board

#### OFFICERS ELECTED

President, board chairman, H. A. Clark, Firemen's; first vice-president, A. F. James, Northwestern National; second vice-president, E. E. Soenke, Security, Ia.; treasurer, H. M. Giles, Millers National; first assistant treasurer, A. I. Bushnell, Millers National; second assistant treasurer, A. A. Krueger, Millers National; secretary, F. C. Schad.

Board of Directors: L. W. Brown, Firemen's; J. C. Hiestand, Ohio Farmers; Ralph Rawlings, Monarch; B. G. Dawes, Jr., Eureka-Security; A. F. James, Northwestern National; E. E. Soenke, Security; W. E. Wollaeger, Concordia; H. M. Giles, Millers National; O. J. Prior, Standard of N. J.; S. F. Weiser, Dubuque; H. A. Clark, Firemen's.

By JAMES C. O'CONNOR, JR.

The Western Insurance Bureau at its annual meeting at French Lick came out vigorously against the inclusion of hail coverage with windstorm insurance without extra charge, now in vogue in nearly all middle western states. By unanimous vote the members passed a resolution condemning this practice as unfair and costly to the companies and calling upon the Western Actuarial Bureau to reconsider its action and institute a reasonable charge for this additional insurance.

As was expected, the voluntary retirement of Ralph Rawlings of the Monarch as president of the Bureau was accepted. The members voted to combine the offices of president and chairman of the board in H. A. Clark of the Firemen's, present holder of the latter office and a past president. Mr. Clark has been the guiding factor in the Bureau for several years and his elevation to both offices was logical. Mr. Rawlings, who had been president for the past seven years, remains on the board of directors, the entire personnel of which was reelected.

#### Silent on Chicago

No action was taken in regard to the Chicago situation, the Bureau refusing officially to notice any developments between the Chicago Board and the Western Underwriters Association since it does not assume jurisdiction in large cities.

At the first session the reports of President Rawlings and Chairman Clark were heard. Fred D. Silber of Chicago, attorney for the Bureau, reported on the Illinois code and the Illinois rate situation, and Clarke J. Munn of the Cook County Loss Adjustment Bureau reported on the success of the campaign against cigarette scorch claims, stating that losses had been materially reduced because of the concerted action of the companies in denying liability on this type of burn. Mr. Munn also reported on the excellent results of the campaign against automobile thefts in cooperation with the state's attorney of Cook County, which reduced theft from an

## Named to Important Post in General Agents' Body



J. GILBERT LEIGH

J. Gilbert Leigh of Little Rock will have important responsibilities this year in the American Association of Insurance General Agents, since he accepted appointment as chairman of the conference committee. The leaders desired to have Mr. Leigh in this position and finally prevailed upon him to accept.

The conference committee has an immediate task. It is instructed to take steps to prevent any rule being promulgated that would fix the commission of the general agents on Home Owners Loan Corporation risks, insured through the Stock Company Association. There was a proposal to fix the scale of commissions to general agents at 50 percent of their usual remuneration on this business. General agents take the position that their compensation is a private matter between the individual general agent and his company and the conference committee was instructed to cause that principle to be recognized in connection with the HOLC setup.

average of 100 cars a day in 1933 to 30 in 1934.

The resolution condemning the free inclusion of hail insurance with wind-

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## Chicago Delinquency Plan Achieves Main Objectives

### BOARD OFFICIAL IN REPORT

Flat Cancellation Control Ineffective Without Strong Enforcement, Hamilton Tells Field Club

Insight into operation of the delinquent balance and flat cancellation control systems of the Chicago Board was given the Cook County Field Club at the May meeting this week by W. W. Hamilton, superintendent of the department of investigation. Remarkable progress has been made, he said, not only in the fire end but also casualty. There have been 1,544 blanks sent out regarding delinquent accounts and 378 member offices have requested the service which the board offers in helping to induce payment.

This work has been successful in liquidating 171 accounts or arranging to do so, total premiums involved being \$105,000. Some of these accounts have ranged up to \$20,000. The board collects no money but merely assists member offices.

#### Gives Picture of Balances

The number of delinquent balances over six months old has been materially reduced. Members using the service report it is of distinct benefit to them. Mr. Hamilton said, however, there have been a number of cases of brokers becoming delinquent six months or more, time and again after their accounts have been cleared up. He said this can be chargeable only to knowledge and acquiescence of member offices.

The situation April 1 was: 750 accounts delinquent for four, five or six months, total balance involved being \$195,000 for the three classifications. For over six months there were 299 delinquencies, total \$111,000. Only 12 producers have been reported delinquent for more than six months by two or more offices.

The intention is not to lose producers merely because they are delinquent over six months. This is indicated by the fact that only about 15 have been reported to the insurance department

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## Aid of Banks Is Being Welcomed

Local Institutions Are Taking Interest in Financing Purchase of Autos

### HELP THE AGENTS' CAUSE

New Activity Is Regarded as Threat to the Auto Finance Companies and Their Insurance Monopoly

NEW YORK, May 22.—Agents will be interested in watching developments in a recently initiated move by certain banking concerns, for, if it gain any considerable headway, as seems quite probable, it will mean a substantial increase in the handling of automobile insurance by local men. In their search for the profitable investment of their fast growing deposits, the banks have been attracted to the enormous volume of business handled by automobile financing institutions, and have concluded to engage in the line themselves.

Various methods of loaning are employed. Some banks advance virtually the entire sum required by a car buyer, while others grant only a percentage of the desired amount, perhaps 50 percent. The loans are made to preferred credit risks whose notes will either be paid by the borrowers or by guarantors. A further requirement of the banks is that insurance covering their interest in the car, be obtained from a thoroughly responsible company, and that the policy be held by the banks as collateral. Six percent interest is charged. The aggregate cost, allowing for the reduced price paid for a machine on a cash basis, as against that secured under the installment plan, shows a material saving.

Banks do not stipulate any particular company from which the insurance must be purchased, merely insisting that the institution be a financially strong one licensed in the state in which the banks are located. Automobile financing concerns have made handsome profits and they are beginning to take heed of the threatened competition of local banking institutions and are not particularly pleased with it. Local agents, on the other hand, will welcome the development.

In Kansas City where a campaign is being conducted by the agents to retrieve automobile insurance, the banks are cooperating by financing automobile purchases.

Some of those who have been interested in the idea of restoring this business to the local agents, feel that the most effective procedure is to bring the banks into the picture.

#### Broker Had Agency Relation

By reason of the broker's relations with the company the appellate term of the New York supreme court, first department, not only held that the assured was not liable for the earned portion of the premium upon cancellation where the premium had been paid by the assured but not remitted to the company, but the court also held that the company was liable to the assured for the unearned portion of the premium. The Century Indemnity brought the action against Weinstein & Eisner, Inc.

The assured contended that the Century Indemnity by its practice in extending credit to the broker, constituted the broker its agent for the collection of the premium; that payment by the assured to the broker was payment to the Century Indemnity and that the insurer was estopped to deny such agency under the facts disclosed.

## THE WEEK IN INSURANCE

Program for Insurance Commissioners' meeting at Seattle July 9-12 announced. **Page 1**

Campaign for separation as between stock and mutual companies launched in central western states. **Page 1**

Program to reclaim for the local agent insurance on financed automobiles is aided by the interest being taken by local banks in making loans for the purchase of automobiles. **Page 2**

At the annual meeting of the Western Insurance Bureau, H. A. Clark, western manager of the Firemen's, was chosen president and chairman of the board. **Page 2**

Arkansas agents hold annual meeting. Elect Eric Rogers president. **Page 4**

All officers of the National Fire Protection Association reelected at the annual meeting in Atlanta, headed by Harold L. Miner, president. **Page 6**

No mention is made of commissions to general agents in the HOLC plan of insuring. **Page 8**

Proposal to start automobile premium finance company debated at annual convention of South Carolina agents association; committee studying plan. **Page 3**

Pool for handling assigned compensation risks is formed by 25 members of National Bureau. **Page 31**

Solicitors license bill sponsored by insurance department in Pennsylvania

meets strong opposition of organized insurance interests. **Page 3**

New York State Association of Local Agents holds annual meeting at Syracuse, reelects officers. **Page 15**

Texas agents hold annual meeting. Thomas S. Gillis, Fort Worth, elected president. **Page 12**

President John H. Chiles, Jr., of the Texas Association of Insurance Agents, reviews conditions in the state at annual meeting. **Page 13**

Governor Lehman of New York vetoes the bill providing special compensation for silicosis. **Page 31**

Commissioner Mortensen of Wisconsin discusses various phases of casualty insurance in address at Milwaukee. **Page 31**

Equity rating committee of the New Jersey Casualty Underwriters Association makes some suggestions for the handling of larger lines. **Page 33**

Governor Curley expected to ask Massachusetts legislature for changes in compulsory auto liability law. **Page 32**

Insufficient company advertising of accident and health responsible for agents' and brokers' indifference to remunerative possibilities of line, Manager A. J. Mountrey tells New York club in lecture series. **Page 33**

Citizens Casualty of Utica, N. Y., is to be refinanced and put into the field as a taxicab insurer. **Page 34**



## Agents May Start Finance Company

South Carolina Association Names Committee to Study Advisability of Move

### CONSTITUTION REVISED

Convention Cruise Is Held; J. M. Green Elected President, Succeeding R. M. Kennedy

Holding its sessions on board the steamship "Algonquin" on the high seas between Charleston and Jacksonville, the South Carolina Association of Insurance Agents mapped out its course for meeting the problems of the future at its annual convention.

Outstanding features of formal action taken were resolutions providing for the executive committee to investigate the advisability of organizing a company for financing automobile premiums, a study of insurance on financed cars and endorsement of the fire prevention essay contest of the South Carolina association, with the suggestion that the essays be published.

#### Set-up Is Revised

The constitution and by-laws of the association were revised, the principal changes having to do with restating in a direct manner the make-up of the executive committee and its duties, and providing for an accident prevention committee.

The following officers were elected for the ensuing year: President, J. M. Green, Orangeburg; first vice-president, J. H. Woodside, Greenville; second vice-president, J. M. Richardson, Hartsville; national councillor, W. H. Lawrence, Anderson.

Executive committee: R. M. Kennedy, Jr., Camden; H. P. Moses, Sumter; Walter Jenkins, Rock Hill; J. S. Morse, Abbeville; G. W. Kinghorn, Beaufort; Maier Triest, Charleston; S. F. Cannon, Spartansburg; William Goldsmith, Greenville. Business Manager J. F. Stuckey will be reelected by the executive committee and Publicity Manager W. H. Lawrence also will be

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## Strong Opposition Develops to Measure in Pennsylvania

BILL BACKED BY DEPARTMENT

Effort to License Solicitors Opposed by Organized Insurance Interests at Hearing

HARRISBURG, PA., May 22.—Further hearings will be held by the insurance committee of the Pennsylvania senate on a bill of Senator J. E. Norton, Reading, providing for licensing insurance solicitors. Strong opposition to the measure developed at a hearing May 21. The bill has the backing of the insurance department. Commissioner Owen B. Hunt was the principal speaker before Senator Norton's committee at the hearing.

Commissioner Hunt at the conclusion agreed to draft proposed amendments which will be considered at another hearing and the opponents will be given opportunity to study amendments in advance.

#### Objects to Part-Timers

At the hearing Mr. Hunt voiced his opposition to "part time" insurance salesmen. The bill would eliminate that type of solicitor. Another provision would require all insurance solicitors to have regularly equipped offices. The annual fee would be \$10.

Frequently during the hearing committee members engaged in technical legal arguments with department representatives regarding the working of the proposed bill. Because of this discussion the extra hearing was allowed to permit the department opportunity to redraft portions of the bill.

Former Representative Philip Sterling of Philadelphia led the fight against the measure in its present form. He represented the National Board, casualty and life companies and real estate boards. He insisted the bill in its final form should be available for examination in order to permit intelligent criticism.

Others who appeared in opposition were Hervey Drake, Association of Casualty & Surety Executives; D. D. Storey, William Johnston and H. O. Hirt, mutual fire insurance companies; John Platt and O. E. Lane, domestic stock fire companies.

The bill before the committee provides that before a person can be licensed as an agent or broker in Pennsylvania he must be licensed as solicitor for at least a year. He also would be required to have at least three years'

## Goes to New York



B. A. JOCHEN

B. A. Jochen, secretary-treasurer of the National Security Fire of Omaha, who has been appointed assistant United States manager of the Eagle Star & British Dominions, will go to New York and take his new post, being associated with Harry G. Casper, the new United States manager. Mr. Jochen has had a fine schooling in insurance, having come through the engineering route. He has been associated with the North America for a number of years in its engineering department and as the company controlled the National Security Fire he was sent to Omaha to take executive charge and look after the underwriting.

service with an insurance company.

Solicitors as defined in the bill would be permitted to solicit risks and collect premiums for a company or an agent. Companies employing solicitors would be required to assume full responsibility for the conduct and acts of employees.

#### Western Managers in Detroit

About a dozen western managers and C. F. Thomas, manager of the Western Underwriters Association, attended a meeting of the Michigan Fire Underwriters Association in Detroit Tuesday. They discussed field conditions in the state.

## Busy, Anxious Year for Agents in N. Y.

President F. L. Greeno Reviews Developments at Syracuse Annual Meeting

### LEGISLATION ANALYZED

Some Valuable Suggestions Were Made by Committee Chairmen at the Annual Muster

(Detailed report of New York association meeting on Page 15.)

SYRACUSE, N. Y., May 22.—At the annual meeting of the New York State Association of Local Agents, President F. L. Greeno of Rochester, in his report said that this has been a busy and an anxious year. He said that it was deemed an inopportune time to introduce legislation for the elimination of automobile guest cover. It was also thought best not to present legislation to bring the state compensation fund under more effective supervision of the insurance department while the monopolistic bill was pending. The state body, however, did introduce a resident agent's law which failed to carry. President Greeno said that the agent's qualification law is operating satisfactorily. During the year regional meetings were held at Rochester, Garden City, L. I., and Binghamton. He urged agents to represent stock companies only and not to try to deal in mutual insurance. He thinks it is a mistake to hold out any friendly hand to non-stock competitors.

Mr. Greeno said that the workmen's compensation problem is not solved by the defeat of the monopolistic measure. He said that it is doubtful whether the writing of this class can ever be made profitable. If the public supports private carriers then, he held, it is up to the private carriers to provide adequate cover. It is incumbent on stock insurance as an institution, he contended, to provide cover for every insurable hazard. Another problem ahead, Mr. Greeno said, is presented by the fact that fire insurance faces imminent revision of rates downward. A period of lower loss ratios is inevitably followed by reduc-

(CONTINUED ON PAGE 10)

## NATIONAL BOARD OFFICIALS MEETING THIS WEEK



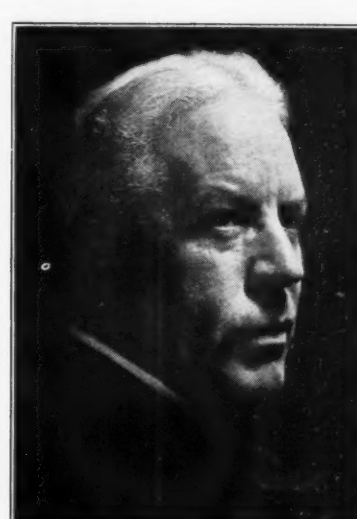
W. H. KOOP, Great American President



F. W. KOECKERT, Commercial Union Vice-President



PAUL B. SOMMERS, American, N. J. Chairman Executive Committee



B. M. CULVER, America Fore Treasurer

## Important Action at Arkansas Meet

Commissions on Qualifying Bonds  
to Go to Association  
Treasury

### ACT ON FINANCE LINES

Agents May Start Own Automobile  
Finance Company in Effort to  
Get Commissions

#### OFFICERS ELECTED

President—Eric Rogers, Jonesboro.  
Vice-President—Louis Rosen, Little  
Rock.  
Secretary-treasurer—C. C. Mitche-  
ner, Marianna.

Many important actions were taken at the annual convention of the Arkansas Association of Insurance Agents in Hot Springs. Outstanding among them was a manifestation of agency co-operation seldom witnessed at state agency conventions. Leading agents now controlling the bulk of the commissions on qualifying bonds filed by companies doing business in the state, indicated their willingness to give up these commissions for the benefit of the association if the companies would agree to pay them into the treasury of the association. A resolution endorsing this idea was adopted.

A militant attitude was taken in the fight to recover premiums on financed

automobiles, culminating in the adoption of a resolution at the executive session authorizing the executive committee to first strive to locate a finance company that would agree to pay usual agency commissions, and failing in this to take steps to organize a finance company to be owned by local agents that would agree to pay commissions to agents in the communities where the business originates. The executive committee was also instructed to ascertain the names of agency companies now writing insurance for the large finance companies, and to notify the members so that they can take steps to obtain the overriding commission on the business.

#### Favor Little Rock Provision

The Little Rock Board's provision regarding a member going into another line of work was endorsed as worthy of adoption by all local exchanges. If a board member goes into another line of work and retains his agency, he must employ a full-time manager for his insurance division or forfeit his membership, according to the Little Rock constitution. Premium finance companies that handle business of stock companies were endorsed.

Another resolution authorized a court test of the right of local school districts or other public bodies to insure their property in mutuals or reciprocals. Local agents in Russellville will be assisted by the state association in making the test. Speakers included L. P. Cryer, state agent Liverpool & London & Globe, giving greetings from the Arkansas Field Men's Club; Sidney O. Smith, Gainesville, Ga., executive committeeman of the National association; U. A. Gentry, Arkansas commissioner; W. H. Stredelman, assistant manager Arkansas Fire Prevention Bureau, and John C. Leissler of the "Southwest Insurer," who discussed publicity and co-operative advertising.

Mr. Smith emphasized the need for an open forum wherein both the companies, agents and large buyers of in-

surance might meet on common ground. He declared that companies and the agents are both striving for the same objectives, but that they continue their independent ways unable to get together because of suspicions and doubts. He asserted that the buyer also has an interest in the business and that he also should be heard.

Pointing to the service that the National Association of Insurance Agents has rendered, he declared that only through it was the business of the Home Owners Loan Corporation retained for the local agents. He lauded the companies for standing shoulder to shoulder with the agents in the Home Owners Loan fight.

He declared that the companies have made a serious mistake in spending too much for production and not enough for loss adjustment and that they should resist every unjust claim. "They may lose at first, but soon their persistence will serve notice to the unscrupulous and eliminate the ambulance chaser and arsonist from the field."

#### Three Wailing Walls

"There has been erected three separate and independent wailing walls, one for the agents, one for the companies and one for the public. We go our separate ways—the tragedy of the closed mind. The ideal for insurance conventions should be one representing all three groups."

He asserted that conferences between companies and agents in the past were defeated before they started and that the business has scarcely scratched the surface as to the possibilities of conference. "It is our only hope for the settlement of differences."

With reference to commissions he asserted that he is not interested in one that makes the rate so high that it is burdensome nor in one that attracts the part timer, politician, and unqualified, but in one that permits a satisfactory living from the volume of business produced. "I can see nothing ahead but a narrowing income unless the

## Everett Nominates Eric; Consanguinity Is Denied

It is a coincidence that **Everett Rogers** of Paragould, who headed the nomination committee, is a close personal friend, but not related to **Eric Rogers**, the new president. They associate on many occasions, and even now many members of the association have difficulty in telling who is who.

The meeting was most capably handled by **President J. R. Donham** of Little Rock and he was lauded thoroughly for the excellence of his address. At the banquet **President Donham** was presented with a beautiful silver serving tray.

The special committee on officers' reports, headed by **Eric Rogers**, who subsequently was elected president, gave a separate report on Mr. Donham's paper, lauding it.

The attendance was below normal because of the inclement weather, but still there were over three hundred at the banquet.

Among out-of-state visitors were **James L. Hassinger** of New Orleans, **Terrill Woosley**, president of the Louisiana Society; **R. Lea McClelland**, manager of the Louisiana Society; and **Morrison Clevlen**, Poplar Bluff, Mo., vice-president of the Missouri association.

**Louis Rosen**, who was elected vice-president, is president of the Greater Little Rock Exchange, while **C. C. Mitchener** has been secretary-treasurer of the association for 15 years or more and is one of the best known local agents in the country. He reported present membership of 221 in the state.

agent can convince his client that he can perform the service of a broker. The local agent of the future will depend upon his measure of usefulness."

Commissioner Gentry outlined the reasons for the defeat of the insurance

(CONTINUED ON LAST PAGE)



## STANDING FOR THE BEST

Ever since its organization in 1848 the Ohio Farmers Insurance Company has stood for everything that is good and safe in fire insurance underwriting. Financially strong; fair and honest in meeting all just obligations; experienced and successful underwriters and adjusters; and a human contact that produces the best of understanding with agents and policyholders.

Just and liberal dealings with individuals, companies and corporations have been an important principle of the Ohio Farmers for more than 87 years.

FIRE

TORNADO

AUTOMOBILE

OHIO FARMERS  
INSURANCE CO.—LEROY, O.





## "—due to new products"

"Sharp rise in earnings due to new products," reads a recent newspaper headline commenting on the annual statement of a national manufacturer.

There is a clue in this headline for the alert agents and brokers who are seeking ways to increase premium income and profit.

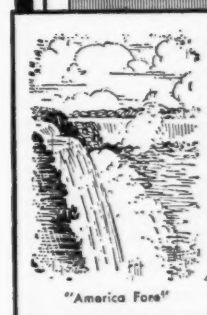
Like this manufacturer, we too have new products which will produce increased income for those who devote some attention to them.

Special Automobile Forms, Registered Mail, Supplemental Contracts, Parcel Post, Jewelry, Furs, Riot, Explosion, Use and Occupancy and General Cover are a few.

Put some effort behind the sale of these lines and at the end of the year — you, too, will be able to report, "a sharp rise in earnings due to new products".

*Ernest Sturm*

Chairman of the Boards.



PROVED BY THE ACID TEST OF TIME

## The AMERICA FORE GROUP

THE CONTINENTAL INSURANCE COMPANY  
AMERICAN EAGLE FIRE INSURANCE COMPANY  
FIDELITY-PHENIX FIRE INSURANCE COMPANY  
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*Eighty Maiden Lane,*



## of Insurance Companies

NIAGARA FIRE INSURANCE COMPANY  
MARYLAND INSURANCE COMPANY OF DELAWARE  
THE FIDELITY AND CASUALTY COMPANY

ERNEST STURM, Chairman of the Boards  
BERNARD M. CULVER, President

*New York, N.Y.*

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

## Fire Preventionists Elect Miner President at Atlanta

### FEAR FIRE LOSS INCREASE

Many Subjects Up for Discussion—  
Dust Explosions Gain in South—  
Rating Criticized

At the annual meeting of the National Fire Protection Association in Atlanta all officers were reelected, headed by H. L. Miner of Wilmington, Del., its president. G. W. Elliott of Philadelphia is first vice-president, C. H. Haupp of Elizabeth, N. J., second vice-president, and F. H. Wentworth of Boston, secretary-treasurer and managing director. A. T. Bell of Atlantic City is chairman of the board.

Many subjects were covered at the meeting, over 50 committee reports being discussed covering all phases of fire prevention. The annual meeting of the N. F. P. A. is a culmination of the organization's efforts throughout the year, the committees gathering and studying masses of data and presenting them in final form to the membership for consideration, discussion and action at the convention.

Attention was called to the splendid fire loss record in 1934 by R. S. Moulton, chairman of the fire record committee. Increase in fire losses in coming years is feared because of the curtailment of protective measures in public and private fields due to economic factors. The adoption of the model arson law by Vermont and West Virginia, Wyoming and Kansas brings the total up to 37 states, Sherwood Brockwell, North Carolina fire marshal, reported.

R. B. Harper, Chicago, spoke on fire prevention and the gas industry.

Dust explosions in factories handling

agricultural products in the south experienced a startling increase in the loss of property and life in 1935 according to Dr. D. J. Price, Department of Agriculture, chairman of the National Fire Protection Association committee on explosion hazards. Of the \$2,475,000 losses reported last year, more than \$1,000,000 took place in southern factories handling agricultural products. Dust explosions which have been regarded as centering around the grain milling and factory centers in the north have become a menacing problem in the south, many explosions being reported in Texas, Tennessee and Virginia.

### Rating Method Criticized

Building Commissioner C. M. Stegner of Cincinnati voiced a demand for lower fire insurance rates in cities which have reduced their fire losses and suggested a revision of the grading standard by the National Board. The Cincinnati per capita fire loss has been consistently reduced from \$3.90 in 1922 to \$1.20 in 1934. The 1935 loss so far is 50 percent of the 1934 loss during the same period which encourages possibilities for a further reduction below \$1 this year. "Our figures are compiled from actual losses paid by the insurance companies which include about 10 percent that show no record for any fire alarm. The standard schedule of the National Board for grading cities allows no credit for low fire losses and we therefore continue to pay excessive insurance rates. This does not encourage sustained municipal effort for further achievements and indicates a lack of coordination between factors of the underwriter's grading schedule with actual fire losses."

The nominating committee for next year consists of A. L. P. Miller of New York City, chairman, A. L. Brown of Boston and Gorham Dana of Boston.

The organization accepted the invitation of the National Board to cooperate on the inauguration of building codes and adopted the resolution of President Miner for combating fires in homes

through the Parent Teachers Association and other school mediums.

### N. F. P. A. PERSONALITIES

Col. Clarence Goldsmith of the National Board and R. W. Hendricks of the Underwriters Laboratories made the trip from Chicago to Atlanta in one hour and thirty-two minutes, more or less, in the colonel's new car.

John Neale, chief engineer Chicago Board, is looking into the merits of theft insurance after the loss of some his and his wife's bags and contents en route.

The unofficial committee on golf included John Wilds of the Protection Mutual, Al Hendricks of the Pearl and John Chavanne, Jr., of Eliel & Loeb.

The A. D. T. contingent included J. L. Husman, C. M. Marron, B. Sofge of New York and R. E. Maginnis of Chicago.

C. W. Soderstrom, manager Illinois Inspection Bureau, was observed watching the proceeding with interest. He speaks highly of southern cooking and hospitality.

R. E. Vernor, Western Actuarial Bureau, put on his usual good show as chairman of the visual education committee. Dick is always good natured and smiling.

Friday a motor caravan of conventioners went to Fort Benning and visited Warm Springs and the home of President Roosevelt on the way back.

### Death of Webb M. Elliott

Webb M. Elliott, former Des Moines insurance man, died in Decatur, Ill., Sunday where he was in life insurance. His father Harry Elliott was president of the old State Fire of Des Moines and Webb was associated with him. The State was absorbed by the Phoenix of Hartford and the Mid West Department was established to conserve the agency plant. Another son, Ralph Elliott, was made manager. He is now residing at Spirit Lake, Ia., in another line. Webb Elliott went to Chicago in 1918 and opened the farm department for the Phoenix, he being manager. He held this post until the department was discontinued. He then did some adjusting. He was 56 years of age.

## Advertising Conference Has Arranged Spring Meeting

The program for the spring meeting of the Insurance Advertising Conference which will be held next Wednesday at the Hotel New Yorker, New York City, has been completed and carefully arranged to meet the interest and needs of the members in all branches of the business. One of the features is the additional session of Class B members during the morning while Class A members are holding special closed sessions.

The meetings will start at 10 a. m., the Class A session beginning with members in all branches of the business—life, fire, casualty and surety—with C. A. Palmer, North America, in the chair. At 11 o'clock this session will divide into two groups, one for life members, with A. H. Reddall, Equitable Life of New York presiding and the other for fire, and casualty members with W. L. Lewis, presiding. The morning session for Class B members is being organized by T. L. Kane, president of the "Spectator."

The speakers at the luncheon, where A. Wilbur Nelson, assistant to the general manager of the National Board of Fire Underwriters, will preside, will include Vash Young, Guy Gayler Clark and Marlen E. Pew, editor of "Editor and Publisher."

### Wallace Reelected at Memphis

MEMPHIS, May 22.—R. W. Wallace was reelected president of the Insurance Exchange of Memphis at the annual meeting. There were two tickets in the field, Sam Plough being the rival candidate for president. Will Johnston was elected vice-president and Bethel T. Hunt secretary. Directors are John D. Kelly, Clinton Schley, W. D. Wills. The directors were authorized to develop a comprehensive plan of general advertising. The proposal to make the exchange an affiliate of the Memphis chamber of commerce was rejected.



In seeking reinsurance,  
**BE SATISFIED**

That the reinsuror is sound  
That the treaty will stand the test of fluctuating experience  
That the reinsurance accomplishes its every purpose

**INTER-OCEAN REINSURANCE COMPANY**

REINSURANCE OF FIRE AND ALLIED LINES

**EASTERN DEPARTMENT**  
123 William Street  
New York City

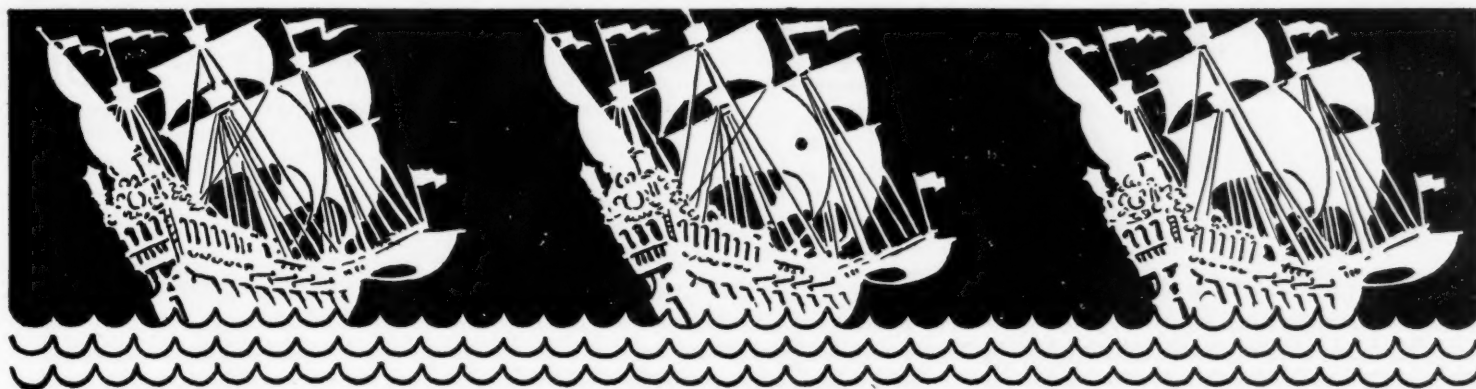
Roy E. Curray, President  
Karl P. Blaise, Vice-Pres. & Secy.

**HOME OFFICE**  
Inter-Ocean Bldg.  
Cedar Rapids, Iowa

Alonzo Church, Vice-President  
J. L. Campbell, Secretary







A proper relation between agent and company reflects success upon both. Agents for Pearl-American Fleet companies bring their clients the benefits of unquestioned strength, ample reserves, coverage for all types of risks and extremely rapid service.

We invite inquiries from agents who wish to capitalize these assets. A letter to the Fleet office nearest you will bring prompt information.

## PEARL-AMERICAN FLEET

PEARL ASSURANCE CO., LTD., UNITED STATES BRANCH  
EUREKA-SECURITY FIRE & MARINE INSURANCE CO.  
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80 John Street  
New York

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## Aggressiveness—Plus

the backing of a sound, conservative company—the formula for success in selling Insurance.



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CHICAGO OFFICE: 209 W. Jackson Boulevard  
SAN FRANCISCO: { Fire Office — 200 Bush Street  
                          { Marine Office—231 Sansome St.



## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### THREE MEETINGS THURSDAY

Following adjournment of the National Board's annual meeting Thursday, the annual gatherings will be held by the Fire Companies Adjustment Bureau and by the National Board of Fire Underwriters Building Corporation.

\* \* \*

### TAKE NEW POSITIONS

Two who have been assisting in the rehabilitation of the Globe & Rutgers Fire have completed their work and have made new connections. A. V. Hansen has joined the America Fore in the brokerage department. He was at one time connected with the Export and Export Indemnity.

S. J. Lance has returned to the practice of law.

\* \* \*

### LOUIS N. JAMES DIES

Louis N. James, a well known insurance broker of New York City, and son of the late Fred S. James of Chicago, died at St. Vincent hospital there Sunday, following an extended illness. Born in Chicago 52 years ago, Mr. James following his graduation from Princeton, entered the Chicago office of F. S. James & Co., transferring to its New York City branch some years later. In 1922 he formed the brokerage firm of L. N. James & Co. of New York City. Surviving, in addition to his wife, are a daughter, Mrs. H. Hunsicker of Ridgewood, N. J.; a brother, Whitney James, Los Angeles, and two sisters.

He was a former amateur golf champion of the United States, winning the title when he was 19 years old.

\* \* \*

### QUESTIONNAIRE DISTRIBUTED

The questionnaire being distributed by members of the Kentucky Fire Underwriters Association among members, getting from local agents information as to the number of people employed in their offices, the volume of business transacted for stock companies, and other data, partakes largely of the survey of its membership by the National Association of Insurance Agents as of March 1, last, but is a wholly independent effort. The survey of the latter body called for responses to each of the following questions: (1) Number of owners of the organizations comprising the membership of the National association; (2) number licensed producers and/or solicitors (other than owners of organization members); (3) number all licensed producers (1 plus 2); (3) number of employees (other than 1 and 2); (4) number of people dependent on 1, 2, and 3.

\* \* \*

### GENERAL AGENCY COMMISSIONS

In connection with the commission to be allowed general agents on Home Owners Loan Corporation business, company officials declare this to be a matter for arrangement between themselves and their representatives. In fact, the executives so stated when the general subject of launching an association for handling risks in which the federal body had an insurable interest, was under consideration in Washington. Under the association plan as finally determined, the only concern the HOLC has, if insurable premiums on property on which it has loaned are paid within 45 days, is that the indemnity be carried in an acceptable stock or non-stock company. Failing such payment the business is placed in either one or the other of the bodies operated respectively by the stock and the mutual carriers. On business placed under such condition local agents are allowed 50 percent of the commission ruling in their territory. The agreement contains no reference to general agencies.

The anticipation is that the HOLC will do all within its power to minimize the moral hazard in connection with properties under its control, the office of the administration acting in close

## Will Retire



WILLIAM A. BLODGETT

W. A. Blodgett of New York City, United States manager of the Eagle Star & British Dominions, who will retire from the service and be on the pension roll after July 1, is one of the veterans in the business who has made a splendid record. His insurance career started with the western department of the Springfield F. & M. in Chicago in 1881. Mr. Blodgett became a real student of the business.

concert with those created by the carrier companies, and will be especially alert to see that there is no over-insurance being carried, nor that the physical hazard of risks be increased.

\* \* \*

### REPORT SHOWS IMPROVEMENT

Total entries reported by fire and casualty companies last December to the Central Bureau of New York were 13,522, a decrease of 2,059 from December, 1933, according to Charles Stulz, manager of the bureau, in his report to the New York department. Total unpaid earned premiums reported were \$151,483, a decrease of \$8,286. The fire companies reported 8,231 entries, a decrease of 1,238 and unpaid earned premiums \$25,855, decrease \$6,496. Casualty items totaled 5,291, decrease 1,789.

\* \* \*

### DINNER FOR W. E. MALLALIEU

Attendance at the dinner to be given W. E. Mallalieu in appreciation of his 25th anniversary as general manager of the National Board at the Hotel Pierre, New York City, Thursday evening, promises to exceed that of any gathering of the kind known to the insurance fraternity. Company officials from all parts of the country have displayed unusual interest in the affair, asserting their desire to be on hand and so show their appreciation of the fine service he has rendered the business and recognition of his appealing personality. There will be no toastmaster or set speeches. W. H. Koop, the retiring president of the National Board, together with F. W. Koeckert, the new incumbent of the office; B. M. Culver, treasurer and others,

### WANTED TO BUY

Well established Local Agency in city 15,000-100,000 population. Replies held in strict confidence.

ADDRESS B-78, NATIONAL UNDERWRITER



may be expected to speak briefly and heartily of his worth and work.

The dinner given by Sumner Ballard each year immediately following adjournment of the business sessions of the National Board afforded stock company officials an admirable opportunity to fraternize, business topics being taboo and conversation confined to subjects upon which there could be no sharp division of opinion. So appreciated were these friendly gatherings that the National Board members, acting individually decided upon a dinner to Mr. Ballard as a return courtesy last year; this time paying the same tribute to Mr. Mallalieu.

\* \* \*

#### L. E. THAYER HEADS BROKERS

Lyman E. Thayer was elected president of the Insurance Brokers Association of New York at the last meeting of the directors. He succeeds L. J. Rice, who served two years in the presidency. Mr. Thayer is vice-president of Brown, Crosby & Co. The first vice-president is George P. Nichols; treasurer, C. O. Pate, and secretary, W. J. Mosenthal.

Julian Lucas, president of the National Association of Insurance Brokers, spoke. Insurance Superintendent Pink and several members of his staff attended a luncheon after the meeting.

\* \* \*

#### APRIL LOSSES OF SIZE

The New York "Journal of Commerce" shows that there were 2,005 fires in April in the United States and Canada, each of which caused damage of \$10,000 or more. The aggregate was \$11,292,000. The most extensive fires were town hall and church at Middlebury, Conn., \$85,000; hotel at Watford, Conn., \$80,000; school at Tallais, Me., \$100,000; business block, Weymouth Landing, Mass., \$250,000; church at Bell Harbor, L. I., \$125,000; warehouse at Brooklyn, \$400,000; sugar warehouse, Long Island City, N. Y., \$175,000; garage, New York City, \$100,000; business building and dwellings at Mt. Carmel, Pa., \$200,000; machine shop, West Shenandoah, Pa., \$75,000; packing plant, Ft. Myers, Fla., \$200,000; refrigerator plant, Atlanta, \$125,000; business block, Hammond, Ind., \$150,000; refinery, Beaumont, Tex., \$100,000; city hall, Saginaw, Mich., \$170,000; lumber yards, Austin, Minn., \$150,000; shingle plant at St. Paul, \$75,000; hydraulic hoist plant, St. Paul, \$80,000; orphans home, St. Louis, Mo., \$150,000; business block, Clarksville, Tenn., \$125,000; busi-

#### Always on Deck



SUMNER BALLARD

Presidents, vice-presidents and chairmen of the executive committee of the National Board may come and go but Sumner Ballard, president of the International of New York, head of a reinsurance syndicate, goes on forever as secretary. He is on the job from the beginning of the year to the end.

ness building, Lewisburg, Tenn., \$125,000; business block, Tracy, Tenn., \$80,000; radio station, Seward, Alaska, \$300,000; coffee plant, Los Angeles, \$1,000,000; state capitol, Salem, Ore., \$1,500,000; church, Kingsville, Ont., \$80,000; grain elevator, Winnipeg, Man., \$80,000.

\* \* \*

R. C. O'Brien, president of the New York City brokerage firm of Holly & Co., fell dead on the green of the Country Club at Haworth, N. J. while playing with E. B. Thistle, metropolitan manager of the Eagle Indemnity.

#### Hanover Appeals Judgment

The Hanover is now appealing a judgment in the superior court at Montreal for \$5,312 in favor of A. M. Stewart on the ground he was dismissed before expiration of his contract. Stewart became Canadian manager of the Hanover in 1928, when the company entered that country. He was retired in December, 1932. Stewart claimed the contract of engagement was to run until December, 1933.

#### Canadian Superintendents' Conference

The Conference of Superintendents of Insurance of the Provinces of Canada will be held in Winnipeg in September.

#### Some Vignettes from the Western Bureau Meeting

Fred D. Silber, attorney for the Western Insurance Bureau, who was accompanied by Mrs. Silber and their son Robert, wound up the annual meeting at French Lick in a blaze of glory and confounded the management by winning the jackpot on one of the 25-cent slot machines in the lobby. Other members who had fed the machine freely estimated that at the apparent rate at which it was paying this would not recur for ten years.

\* \* \*

The hotel gardens were in perfect bloom and attracted much attention from the members. E. E. Soenke, Clarke J. Munn and J. V. Parker, experts in agronomy, took leading roles in explaining fine points of floriculture to the others.

\* \* \*

The lower golf course was out of commission, due to recent rains putting it under water, but the upper course attracted many of the members. The soggy condition, however, kept scores up and boasting down.

\* \* \*

O. B. Brown and R. A. Moore, Indiana

field men of the Firemen's group, went over to confer with their officers, as did D. R. Stephens, Indiana state agent of the Millers National.

\* \* \*

W. B. Rearden, executive vice-president of the Firemen's group and Vice-president J. E. White of the North Star were the only eastern men present. Mr. White left immediately for New York, while Mr. Rearden went on to Indianapolis with the other Firemen's officers to look over middle western conditions.

\* \* \*

Brown's attracted its expected proportion of members on Wednesday night.

\* \* \*

Although the Western Sprinkled Risk Association did not meet with the Bureau this year, R. L. Rumbaugh, Chicago manager of the association, was on hand.

\* \* \*

Vice-President W. D. Reed represented the Northwestern National and served on the press committee. Mrs. Reed accompanied him.

\* \* \*

President O. J. Prior of the Standard of New Jersey, who is a director of the Bureau, did not make the trip, Vice-President F. J. Breen of Chicago representing the company.

The agency which the late P. H. McParlin operated for nearly 50 years in Lockport, N. Y., has been taken over by his son and daughter, John B. and Rosemary McParlin, who will conduct it hereafter.

## THERE IS A DOG

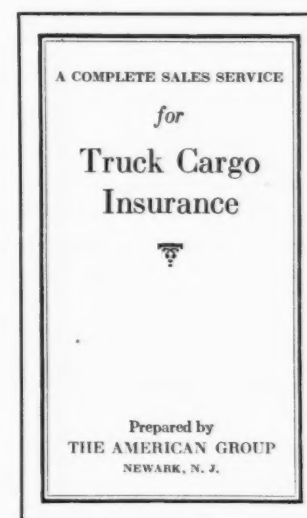
... attached to the tail!

A RECENT survey made by "Credit and Financial Management" shows that of 16,688 wholesalers and manufacturers who own or operate motor trucks, eighty-seven percent. have insured the trucks, but only sixteen percent. have insured the merchandise carried in these trucks. And since it is not at all unusual for the cargo to be worth many times the value of the truck, it seems to us that either the manufacturers or their insurance agents have been remiss.

What are *We* going to do about it? We have prepared and made available to our Agents a complete Truck Cargo Sales Service which we believe will cause many manufacturers to take this protection, and, if used, will relieve our Agents of the charge of neglect after a cargo loss.

Do you want our facilities and this aid?

BY THE FIRE COMPANIES  
OF THE AMERICAN GROUP



THE AMERICAN OF NEWARK

THE COLUMBIA FIRE OF DAYTON

DIXIE FIRE OF GREENSBORO

## Reports Given at Meeting of New York Local Agents

(CONTINUED FROM PAGE 3)

tion in rates, he added. It is unfortunate that as the agents are beginning to emerge from the financial depths of depression that agitation for lower rates comes to the front. This offers, he said, a challenge to constructive salesmanship. He feels that the greatest need of the agents today is better salesmanship. They need to become sales-minded, not mere professors of insurance but purveyors.

### Secretary Rose's Report

Secretary J. W. Rose of Buffalo said the state association was confronted with unusual expense due to legislative work. The budget estimate for the conference committee also proved inadequate. The National association levied a special allocation of \$864 for expense of the Washington, D. C., service office against which members contributed \$390. The expenditures exceeded the budget estimate by about \$600.

Mr. Rose as manager of the State Association Service, the premium finance organization for members, gave a report on that body saying that its success had been far beyond expectations. The

earnings have been sufficient to pay all organization and operating expense, 6 percent dividend has been paid and \$5,000 surplus accumulated. No company or its branch is brought into direct contact with clients. Mr. Rose said that the organization assists in holding renewals.

### Beach Reports on Local Boards

E. A. Beach of Syracuse presented a report on local boards calling attention to their desirability in the insurance picture. The public, he said, has now a far greater respect for an organization of bona fide agents than ever before. There should be more education of members regarding rules, rates and regulations. There should be freedom in exchange of information. Every board, he said, should have a strong legislative committee. There should be close contacts with business organizations. Local boards, he said, can do much to minimize unethical practices. In dealing with companies, organized agents can accomplish far more than they can singly.

### Conference Committee Report

W. H. A. Munns of Syracuse, chairman of the fire conference committee, said that for two or three years the state association cooperated on the broad form for low rated sprinklered

risks. The committee was called into conference on the subject of a new simplified mercantile rating schedule. There have been other issues that have not been so satisfactorily handled. He said there has been a tendency on part of rating organization committees to avoid conference with agents before making changes. He referred, for example, to the recently promulgated pro rata reduction rule.

### E. J. Cole Is Heard

President E. J. Cole of the National Association of Insurance Agents referred to the program of conference between companies and agents and said an effort is being made to conciliate and compromise several important issues of long standing. The outlook for ultimate success is bright, he said.

He referred to the recent observations as to insurance by large buyers. The National association, he said, has long recognized the trend of the times and has urged its members to keep in step with the requirements of present day conditions.

The agency system, Mr. Cole contended, is not on trial. Whatever criticism there may be is not directed at the system itself but at the incompetent or inefficient agent. The insurance buyer is willing to pay a fair rate but demands the advice and service of his insurance counsel as a part of the consideration. There is no need to be alarmed at the prospect of losing choice lines to outside competition if the agent is alert, aggressive and eternally on the job.

### Mischievous Maneuvering

"Mischievous maneuvering," Mr. Cole asserted, "has injected a competition into the field of the agent which is beyond his control and fraught with danger."

"Interlocking bureaus, commonly referred to by alphabetical designation, have been set up, conceived and intended to be used for legitimate purposes to meet the expanding demands for a more flexible coverage when justified, but through the machinations of these instrumentalities they have in too many cases established rates with a wide variance from those on comparable risks rated by the regular rating organization," he charged.

The agent cannot meet this form of competition unless equal and nondiscriminatory rates are available to him and to his customers.

Inland marine, he said, should be confined to its true, legitimate field. Adding half a dozen coverages to the fire form and quoting a rate for the entire coverage less than the fire rate is questionable underwriting, he said.

Mr. Cole wholeheartedly endorsed the 50 percent pro rata reduction rule for a single location.

Referring to the automobile finance business, Mr. Cole said that when direct contracts are made by insurance companies with automobile finance companies it is a serious violation of the non-overhead writing principle of the National association. The finance company has the right to demand and place the insurance on cars financed by it until payment has been made in full with any underwriter it pleases. The criticism is with the insurance company that accepts such contract except when placed through proper agency channels.

In his report as chairman of the law and legislation committee T. L. Rogers, Little Falls, said that although several bills affecting compensation insurance went through and were signed by the governor, the association did play a large part in defeating the exclusive state fund bill. It is questionable how the new compensation measures will affect the business. Mr. Rogers feels the state has gone too far in broadening the benefits of the compensation act. The association played a considerable part in stopping the compulsory automobile insurance measure. Although Mr. Rogers expressed disappointment at the fate of the resident agents' bill, it is hardly to be expected that such a measure would go through at the first session at which it was introduced.

A series of pertinent questions were

## Missouri Negotiations Are Reported in Final Stage

JEFFERSON CITY, MO., May 22.—Negotiations for peaceful compromise of the Missouri rate litigation have reached the final stage. It is probable that the terms of the agreement between Superintendent O'Malley and the companies will be submitted to Federal Judge Stone and Circuit Judge Sevier soon.

It is understood agents are to receive their full commission on the impounded premiums.

The court costs and attorney fees, including counsel fees of the Missouri department, and other expenses incurred by the department, are to be paid from the impounded premiums.

It is believed that dwelling policies hereafter will have a hail rider attached without extra cost.

The service of the Western Factory and other special risk associations will be made available in Missouri.

While the companies will receive some increases in rates these will be offset to an extent by the various concessions that are being made to the buyers, so that in the final analysis the average rate raise will be considerably below the 16½ percent increase the companies have been seeking to maintain since June 1, 1930.

Although most of the Missourians believe the case has been all but settled and that all that remains is the official announcement, others say that this cannot be taken for granted. There is reported to be some dissatisfaction among companies on account of the terms laid down by the state and a sentiment that the case might just as well be fought to a conclusion since, even though the companies should lose in the courts, they would be in no worse position than if they should accept the terms of the state in the projected compromise.

One of the points Governor Park has insisted upon is full recognition of the right of the state to regulate rates.

The companies will be given 25 percent of the impounded premiums and after the payment of attorneys fees, court costs and certain other expenses, the balance of the impounded premiums will revert to the policyholders. This refund will be somewhere between 20 and 30 percent, it is understood. The refunding will be in charge of the courts.

As has been announced the companies will be allowed to charge rates approximately 5 percent above those that were in effect after the reduction of 1922.

asked by C. H. Tuke, in a report as chairman of the street highway safety committee. Such subjects as diversion of automobile taxes, lack of highway maintenance and law enforcement were brought up.

A plea for more public education in insurance affairs was sounded by George Dietrich, Rochester, in his report as chairman of the public relations committee. Insurance men have been neglectful and careless in their contacts with the public. One way to offset the numerous bootleg insurance schemes is to educate the public regarding the merit of this type of coverage. Mr. Dietrich displayed a list of 138 unlicensed companies which are operating in New York through the mails.

Follett L. Greeno, president, opened the convention Monday afternoon. To the welcoming words of Mayor Marvin and H. L. Moreland, president Syracuse Underwriters Exchange, Vice-President E. S. Poole of the state organization responded. E. A. Beach, past president of the New York State Association, outlined the responsibilities and opportunities for service of local boards. President Greeno called the roll of local organizations and delegates from many of them reviewed their chief activities.

A prediction was made by T. L. Rogers that the next legislature will

(CONTINUED ON LAST PAGE)

## AGAIN *The National Underwriter* hits the nail on the head

In the Automobile Insurance Number the following statement about Automobile insurance is made:

"... probably no other branch of the business offers such opportunity . . . quick sales . . . susceptible to planned cultivation."

AMICO agents are cashing in on this opportunity. Their planned cultivation is leading to quick sales due to the many advantages AMICO offers the discriminating insurance buyer.

AMICO policies are backed by a strong financial structure . . . able and tested management, a reputation for prompt, fair claim settlement . . . and low net cost. This combination of features sells prospects and renews present policyholders.

Let us tell you more about this strong, legal reserve stock company and the advantages it offers to progressive agents.

## AMERICAN MOTORISTS INSURANCE COMPANY

JAMES S. KEMPER, President

Home Office . . . Chicago, U. S. A.

LARGEST ILLINOIS STOCK CASUALTY COMPANY



## NEWS OF FIELD MEN

### Peters Executive State Agent

#### In Complete Charge of Illinois Field for Royal-Liverpool Groups—State Is Subdivided

B. F. Peters of Chicago, who was recently placed in charge of the Illinois field for the entire Royal-Liverpool group, has now been designated executive state agent. He is a leader in the affairs in that state, being the immediate past president of the Illinois Fire Underwriters Association. He started in the western department office of the National of Hartford and later served two years with the National Inspection Company. He returned to the National of Hartford as special agent in Kentucky and Tennessee and was later transferred to Illinois as state agent for the Colonial Fire Underwriters and the Mechanics & Traders.

He joined the Queen in 1928 as state agent and four years later was given jurisdiction of the Newark as well. Recently he was given field supervision of all the companies in the groups.

The Illinois territory is now divided into five sections. State Agent George R. Pape with headquarters in the Aurora National Bank building, Aurora, Ill., has charge of the northern part of the state.

State Agent E. M. Eichenberger, with Chicago headquarters, travels in the north central section. D. M. Vance in the Durllee building, Bloomington, handles the central part. W. R. Meier, who is located in the Citizens' building, Decatur, travels in the south central section, and J. H. Wilson, in the Pierce building, St. Louis, Mo., handles southern Illinois.

#### Plans for Illinois Outing

Final plans were made at a luncheon this week attended by officers and committee chairmen of the Illinois Blue Goose for the golf tournament, banquet and initiation at the Mohawk Country Club near Bensenville, Ill., May 28. Indications were that the attendance will be well over 100 and that about 20 new members will be on hand to be initiated. Some novel and excruciating tortures are in store. Those desiring to attend are urged to make their reservations immediately.

The winning team in the golf tournament will be pitted against the winners of similar tournaments in the Rockford, Springfield and Peoria puddles, at the time of the annual meeting of the Illinois Fire Underwriters Association at Lake Delavan, Wis., in June.

The Springfield puddle held its tournament Monday of this week and the Rockford puddle is playing Friday of this week. The winners at Peoria were J. N. Borah, Illinois Inspection Bureau, and R. H. Gregg, Crum & Forster.

Decision was reached to invite members of the Cook County Field Club to join the Blue Goose. Very few Cook county special agents now belong.

#### Sheldon in Virginia Field

Donald Sheldon, from the home office of Crum & Forster, is assisting E. R. Booker, Jr., state agent, in his field work in Virginia. He plans to remain in Virginia for two months.

#### L. N. Bowen Succeeds Merbitz

P. J. Moriarty, manager Detroit metropolitan department, North British group, announces the appointment of L. N. Bowen as state agent and engineer, succeeding O. F. Merbitz, resigned. Special Agent P. M. Britton will continue in his present capacity.

Mr. Bowen has been identified with the North British organization for the past six years as inspector, and is well known to agents of the group. He was

formerly with the Jackson branch of the Michigan Inspection Bureau.

#### Gunn Goes with Larsen & Co.

T. I. Gunn has been appointed special agent for the general agency of S. E. Larsen & Co. of Houston and will make his headquarters in the Petroleum building in that city. S. E. Larsen & Co. are general agents for the Provident, Sussex, United States Merchants & Shippers, Underwriters of the Westchester, and Merchants & Manufacturers. L. J. Hayden Young has been appointed underwriter for the general agency.

#### Hear Talk on Mussolini

N. H. Bell, personal producer of the Provident Mutual Life in San Francisco, fellow of the Royal Geographical Society, officer of the French Academy and a faculty member of the extension division, University of California, addressed the San Francisco Blue Goose May 20 on "Mussolini and the New Italy," telling of his recent visit to Italy and his audience with the pope. R. L. Countryman, Pacific Coast manager Norwich Union, presided.

#### Ohio Annual Meeting June 4

The annual meeting of the Ohio Fire Underwriters Association will be held June 4 in Columbus. The preceding day the Blue Goose will hold a party, afternoon and evening. The Fire Underwriters Association will hold its summer outing at Cedar Point July 9-10. On the second day the Ohio Fire Prevention Association will hold its annual meeting. R. E. Vernor of Chicago will be one of the speakers.

#### L. E. Tanner's Mother Dies

Leonard E. Tanner, Indiana state agent of the Agricultural, was called to Kansas City, Kan., by the death of his mother Sunday night.

#### Whitney Joins National Union

Harold G. Whitney has been appointed state agent of the National Union Fire for the New England territory except Connecticut. He will be associated with General Agent F. E. Dunham with headquarters at 89 Broad street, Boston. Mr. Whitney started his insurance career in one of the prominent local offices in Boston. He has served several companies as field man in New England and is now severing his connection with the Boston.

#### MacDonald with Travelers Fire

Hugh MacDonald has been named special agent in Washington for the Travelers Fire, with headquarters in Seattle.

#### C. B. Winne with General

C. B. Winne, for the past five years inspector for the Commercial Union group in the Pacific Northwest, has resigned to become engineer and inspector with the General Seattle.

#### Springfield, O., Is Inspected

More than 250 attended the dinner held in connection with the inspection of Springfield, O., by the Ohio Fire Prevention Association. H. K. Rogers, Western Actuarial Bureau, was the speaker, also addressing the school children.

#### Missouri Meet Scheduled

The annual meeting and election of the Missouri State Fire Prevention Association will be held June 7 at Lake of the Ozarks. The Missouri Fire Underwriters Association will meet at the same place the previous day.

### Hartford to Be Head Office of the Stock Company Pool

NEW YORK, May 22.—Selection of Hartford as temporary location for the operating office of the Stock Company Association, handling insurance upon properties in which the Home Owners Loan Corporation is interested, was by authority of a special committee appointed at the organization meeting in this city last month. While Hartford and New York were both mentioned as possibilities, the former was chosen as being the home town of J. M. Waller, president of the association, and as affording opportunity to profit by the records on HOLC business at the home office of the Hartford Fire, which prior to the pool's formation handled the risks.

It was the intention to elect A. L. Lintner manager of the organization

coincident with that of Col. Joseph Button as its secretary, but Mr. Lintner advised he would be unable to sever his connection as chief of the insurance division of the HOLC for an additional six months. Desiring to get the machinery for the association under way as quickly as possible and to levy an assessment to cover operating expenses, the executive committee decided to start at once with Col. Button in charge.

Why two officials are required to handle the insurance affairs of the organization is not clear to company men, but as such offices were recommended in the original program for the association, doubtless a valid reason exists.

H. H. Chittenden, Ohio state agent of the Home, is confined to his bed at his home at Columbus with an attack of erysipelas.

Newbern will be inspected by the Tennessee Fire Prevention Association May 28.

## Why ONE GOOD Insurance Man

Would you like to be able to prove to your clients, with facts and figures, these three things?

- I. By entrusting all their insurance to one good agency they'll get nearly twenty percent more for each insurance dollar than they will by splitting it among several.
- II. By having an insurance survey made periodically they'll get over thirty percent more for each insurance dollar than if they have no such surveys made.
- III. Entirely aside from other disadvantages, it is not even true that using mutuals will cut annual insurance costs.

London, Manhattan and Union agents are equipped to prove to clients that these three statements are fact. They are the results of a survey of the insurance practices of America's smartest buyers of insurance; research pioneered by these companies. The facts are demonstrated in a sales portfolio given to all our agents.

The  
LONDON ASSURANCE

The  
MANHATTAN  
Fire and Marine Insurance Company

The  
UNION FIRE  
Accident and General Insurance Company

99 JOHN STREET

NEW YORK

# Texas Association Meets in Galveston

## Agency System Is Vital to Welfare

Eugene Battles Urges Support of Associations in Strong Talk

### QUALITY IS STRESSED

Stock-Mutual Agency Separation Is Big Issue, Los Angeles National Committeeman Declares

In bringing greetings from the National association, Eugene Battles, Los Angeles, national executive committeeman, congratulated the Texas Association of Insurance Agents at its annual meeting for the fine work it had done during the past year. Above all else, agents should cherish their organization and should let nothing happen to it. The association is of more value to the local agent than any other one thing for without it his business could not exist.

While the National association is dedicated to the agency system, it does not mean that the officers do not realize its short comings, said Mr. Battles. Agents should have a sense of obligation to the agency system. Failure to recognize the obligation may destroy the system. Outsiders are watching, he said, and are beginning to object to paying commissions to agents who do nothing for them and who, therefore, do not earn their commission.

#### Struggle to Raise Quality

For years the association has struggled to raise the quality of agency representation and will continue its efforts to bring about a better class of agents. It will go to state legislatures for agents' qualification laws only as a last resort. This would be unnecessary if the companies and special agents did their work better and cooperated more fully with the national and state associations. In his opinion, the companies should attempt to aid in raising the class of their agents, instead of objecting to agents' qualification laws.

No insurance company, Mr. Battles stated, need fear any qualification law for brains cannot be legislated. The intention to be a good agent must come from the agent himself. Qualification laws will eliminate the chiselers and those who go into the insurance business without any idea of making a living out of it.

#### Separation Is Important

One of the most, if not the most, important things now before the National association is the matter of stock-mutual agency separation. Mr. Battles believes in separation, not only as between stock and non-stock companies but as be-

(CONTINUED ON NEXT PAGE)

## Change Administrations



THOMAS S. GILLIS, Fort Worth  
New President



JOHN H. CHILES, JR., Austin  
Retiring President

## Compensation Situation in Texas Critical for Agents

Pertinent problems facing the compensation business were reviewed by Cruger Smith in his report to the Texas Association of Insurance Agents.

The National Council on Compensation Insurance has advised that the companies will either have to cease writing compensation business in Texas or reduce the agents' commissions unless the pending request for a rate increase is granted. Mr. Smith declared that commissions are a subject for discussion between the companies and the agents and he opposes the theory that the agent's commission is a contribution to loss costs.

He warned that the new "pool" laws or claim guaranty funds established in New York, Minnesota and New Jersey present many difficulties. Retaliatory laws in other states will be enacted which will throw the entire structure out of balance. Mr. Smith also pointed out the dangers of the assigned risk plan, which eliminates commissions to agents.

Fortunately, Mr. Smith reported, the legislature has not passed any bills which has increased the cost of administration of compensation insurance, although several measures of that nature were introduced. He reviewed the rate situation in Texas. Due to the change in insurance commissioners and the multitudinous duties faced by the new incumbent, no hearing has been held on the proposed rates, which call for a 20.1 percent increase.

The Texas Employers Insurance Association has filed a brief with the casualty insurance commissioner asking

only a 3 percent increase, holding that inasmuch as it writes 26 percent of the business in the state, this experience should be considered as an average. Other interests, notably oil, contracting and manufacturing, have analyzed their experience and contend that the figures of the National Council are subject to question. Mr. Smith recommended that the agents not take sides in the question but permit the casualty insurance commissioner to determine the adequate rate.

#### Deplores Guaranty Funds

In discussing the trend toward the claim guaranty funds, Mr. Smith said the enactment of such a measure relieves the state insurance department of the obligation to supervise the solvency of companies. The departments in those states having such a law can rest secure in the thought that regardless of the failure of a company organized in another state doing business in their state, the employees in their state will receive compensation payments, while the employees in other states are merely general creditors and will receive only their portion of the assets available for distribution. Such a law is entirely contrary to the principles upon which business is built. It tends to localize insurance operations. Retaliatory laws in other states will throw the business structure out of balance. It is contemplated that the contributions to the fund will be immediately loaded into the rates. In states where there are competitive rate conditions, difficulties will arise regarding the increased loading.

## Gillis Is Elected to Succeed Chiles

Condemn Assigned Compensation Risk Plan and New Claim Guaranty Laws

### COMMISSIONERS SPEAK

Randol Reports on Successful Legislative Efforts—Reinsurance of Reciprocal Business Is Criticized

#### OFFICERS ELECTED

President—Thomas S. Gillis, Fort Worth.

Vice-president—Tom P. Ellis, Dallas.

Secretary-treasurer—D. G. Foreman, Fort Worth.

Directors—C. D. Molloy, Jacksonville, and R. F. Lewis, Taylor.

#### By FRED B. HUMPHREY

The election of Thomas S. Gillis, Fort Worth, to succeed John H. Chiles, Jr., Dallas, as president, and the adoption of pertinent resolutions featured the annual meeting of the Texas Association of Insurance Agents in Galveston. The assigned compensation risk plan and the new claim guaranty laws passed by several states were condemned as unfair and not in keeping with the principles of the American agency system. Reinsurance of the fire business of Lloyds and reciprocals by stock companies was criticized. The National association was commended for its action on financed automobile premiums. It was voted to continue the efforts to have governmental agencies insist that the insurance on properties and commodities in which they are interested be placed through local agents where the property is located. The association again went on record as condemning mixed agencies.

#### Plays Important Part

In response to the welcome of Arthur Grigg, president Galveston Insurance Board, John K. Boyce, Amarillo, told of the important part insurance plays in the public service. The state and national associations are constantly striving to elevate the individual and professional standards and protect the interests of the public, the company and the agent. "Insurance is the basis of commercial credit, is an improver of conditions, safeguards life as well as property and is a promoter of progress. It performs an important public service and deserves greater appreciation on the part of every business man." Mr. Boyce paid tribute to Fred Burton of Galveston, past president, and Fred Offenhauser, Texarkana, association.

(CONTINUED ON NEXT PAGE)

## AMERICAN INDEMNITY COMPANY

GALVESTON

Capital  
\$1,000,000.00

**AUTOMOBILE-FIRE-TORNADO-BONDS**

Texas' Oldest  
Stock Company



## Chiles Reviews Conditions in Texas Insurance-Wise

### STATE ASSOCIATION'S WORK

#### Agents and Companies Should Keep Abreast with the Times and Progress

John H. Chiles, Jr., of Austin, president of the Texas Association of Insurance Agents, in his report at the Galveston meeting, called attention to the changing tide, stating that insurance must not sit idly by without lending a hand and charting a course. He said that insurance people must counsel with the public and provide the most suitable and sound contracts for the needs of the day at the least cost. Coverages must be originated as well as methods of handling insurance.

#### Notes Stabilizing Effect

President Chiles said that the agents generally appreciate the stabilizing influence which the Texas Insurance Checking Office has had on the business in the state. He said that the outstanding job of the state body was accomplished by the fire, windstorm and automobile committee during the year. A number of conferences with companies were held. The insurance commissioners board adopted most of the changes recommended. The new forms represent liberalization of coverages.

#### Talked on Mixed Agencies

In dealing with mixed agencies, President Chiles said it presents one of the most serious problems before the state body. He asserted that while there is a place for both stock and mutual companies they do not mix well in the same house. He does not think that an agent representing both classes can serve his clients acceptably. He said that some of the stock companies that pretend to be lily white, have done more to promote the mixed agency situation in Texas than any other factor.

President Chiles called attention to the governmental agencies that now are linked up with insurance, saying that the officials have been in close contact with what is being done affecting Texas. He urged the agents not to do anything that will disturb the confidence of the public and the federal agencies in the Texas association.

#### Has 975 Members

President Chiles announced that the Texas association now has 975 members. He called attention to the fact that an unusually low loss ratio and promised prosperity may produce a danger signal. There is a tendency to assume a reckless disregard for sound underwriting under these conditions, he said, and what is worse, a laxity in the observance of the accepted ethical methods by which business may be acquired.

## Agency System Is Vital to Welfare

(CONT'D FROM PRECEDING PAGE)

tween stock companies writing on different bases. Of the two the former is far more important.

Mutuals have taken a leaf out of the book of stock companies and are making a drive to get business through agents. In doing this they are creating no new agents, but are trying to do business through agents now representing stock companies. Mr. Battles warned that the best way to break up the agency system is to become "mixed" agencies. Agency service is the strongest weapon in the hands of the local agents and it is a river that cannot be crossed by direct writing mutuals. Price has nothing to do with getting business, for it is not what the client pays but what he is to get that secures the business.

## Glimpses From Sidelines at Texas Agents Meeting

The Galveston Board, which is the oldest in Texas, had charge of the very successful meeting and much credit should be given Arthur Grigg, president; Sam Schlankey, vice-president; and Lawrence Dorsey, secretary-treasurer; Jules N. Jacobs, general chairman; and John Adriance, Jr., chairman entertainment committee.

On the day preceding the regular convention there was a directors' meeting in the morning and a local exchange officers' gathering in the afternoon. That evening a dinner was given by the Galveston board honoring the officers and directors of the Texas association and local officers.

An informal dinner-dance was given at the Club Delmar, which was very largely attended and was most enjoyable.

After adjournment a two-hour motor boat ride was given showing points of interest in Galveston Bay by the compliments of the Galveston Chamber of Commerce.

The visiting ladies were exceptionally well cared for with an automobile ride and a bridge luncheon at which Beers-Kenison & Co., Galveston general agent, was host.

The one sad feature of the convention was the death of Mr. and Mrs. J. L. Loyd. They both attended the dinner

tion leader, who died of a heart attack at a past convention in Galveston.

R. B. Cousins, secretary Texas Fire Prevention Association Committee, stated that the companies owe much to the agents for defeating adverse legislation. In discussing the Texas checking office, Mr. Cousins said it was established as a joint effort by the companies to do things in a more efficient and less expensive manner than could be done by the companies individually. The checking office looks at the business that goes through to see that it is properly written. Rates, forms, mistakes and irregularities are checked.

at Delmar Club and were returning to Houston when they ran into a truck parked on the highway, killing Mrs. Loyd instantly and Mr. Loyd sustaining injuries from which he died shortly after.

Many remained over for a golf tournament Saturday afternoon sponsored by Moody, Webb & Co.

Frank Gittinger, San Antonio, headed the nominating committee, Josh Morris, Texarkana, the resolutions, and F. F. Ludolph, San Antonio, the auditing.

## Gillis Is Elected to Succeed Chiles

(CONT'D FROM PRECEDING PAGE)

The checking office has no right to make rules or rates or to prescribe forms, as the insurance department is the tribune of last resort on such matters. The object of the checking office is simply to discover facts and final rulings come from the insurance department.

Mr. Cousins, on behalf of the checking office, presented the fire prevention trophy to John E. Boyd & Co., Houston, as having the lowest loss ratio in the state last year, only .0016 percent.

#### Higher Requirements Needed

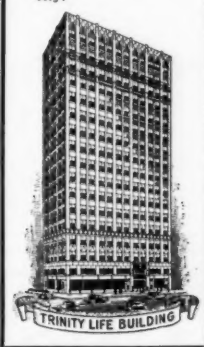
Commissioner R. L. Daniel, chairman of the insurance board, said that differences arise at times between the insurance department and officers of the state association and company officials, but that the difference is, as a rule, not as to what should be done but as to how it should be done. Mr. Daniel advocated protecting the insurance business and the public by making requirements so high that none but good companies can do business in the state and the requirements for the agents so high and so strict that none but the compe-

# LOOKING TO THE FUTURE

## THE NEW HOME

Offices of the company now occupy two floors of the Trinity Life Building, where every facility and convenience has been arranged, for the prompt and efficient execution of business.

Agents visiting Ft. Worth are cordially invited to make these offices headquarters while they are in the city.



## A PLEDGE

Realizing the necessity for complete cooperation with agents and policyholders alike, the new organization directing the destinies of the COMMERCIAL STANDARD, announce the following practice to be adhered to in all future transactions. Highly successful in other lines of endeavor through a constant consideration of the men in the field this declaration at this time is indeed essential.

## TO AGENT

It is the intention to progress with soundness and permanence and to at all times maintain a consistency in underwriting practices. Business will be written through and in support of the AMERICAN AGENCY SYSTEM and just claims on all losses incurred will be met promptly.

## TO ASSURED

To policyholders the pledge of the company will be to afford dependable protection through courtesy and consideration that will build good will and confidence. To the present and prospective agents of the company this can mean only increased business and premiums.

## TO SECURITY

At all times a financially sound institution will be maintained with ample reserves to meet all contingencies. To this end the company is making preparations to make its position financially impregnable.

# COMMERCIAL STANDARD INSURANCE CO.

TRINITY LIFE BUILDING

FT. WORTH, TEXAS

## OFFICERS

A. MORGAN DUKE, President  
J. R. PLUMMER, Vice President and Secretary  
K. F. VASEN, Treasurer

E. T. EARNEST, Asst. Secy.  
C. L. MANSFIELD, Asst. Secy.  
R. C. STEWART, Asst. Secy.

H. F. HIEGEL, Agency Superintendent



**NATIONAL UNION  
FIRE INSURANCE  
COMPANY**  
Pittsburgh, Pa.

"Men are valuable just in proportion as they are able and willing to work in harmony with other men."

—Elbert Hubbard

**A  
Good  
Agency  
Company**

ment can obtain a license. The average agent does not realize the importance of his business in regards to the public. The public pays for an agent's mistake just as the public profits by an agent's ability and common sense. The agent represents, not only the company, but every individual in society and when the agent realizes this, he will then realize the importance of his business. Fire Commissioner Raymond S. Mauk thanked the agents for their cooperation during the years he has been in office.

R. G. Waters, recently appointed casualty commissioner, also expressed his appreciation for the cooperation he has received during the short time he has been in office. He reiterated Mr. Daniel's statement that the agent represents the public as well as the company. It is the aim of all rate making boards to keep the rates low.

**Wants Annual Revision**

A. D. Langham, Houston, reported for the rates and form committee. The committee feels something should be done to revise the automobile manual at least once a year. A definite date should be set for such a hearing annually.

T. J. Holbrook, state senator, who has been of great assistance in steering legislation for insurance interests, said the legislative committee is to be congratulated, not so much for what it has done as for what it has kept from being done. Members of the legislature are not acquainted with the insurance business, which is more or less technical and they all appreciate the work done by the legislative committee in enlightening them on insurance matters. The insurance business must be kept on an even keel or both agents and the public will suffer. Agents are honest, he said, and are working not only for the good of their business but also for the good of the public.

Secretary Foreman reported 980 members and a satisfactory surplus in the treasury.

**Legislation Well Handled**

A. G. Randol, chairman, told of the legislative committee's systematic handling of its problems. At the last year's convention it was decided to employ an attorney to prepare the bills introduced so as to have them properly written and to eliminate the possibility of passing laws impossible to enforce. The legislative program also included conferences with company representatives, insurance commissioners and a submission of copies of the bills to members of the legislative and executive committees. A list of legislators was secured and agents were urged to contact their local representatives and acquaint them with insurance problems. At least one member of the legislative committee attended each regional gathering to discuss plans.

Three measures were backed by the Texas association. The one prohibiting admitted companies from reinsuring any liability of non-admitted companies passed the senate and was still on the calendar of the house when the legislature adjourned. The amendment to the agents' license law to include agents for fidelity and surety companies was passed and signed by the governor. The resident agents' amendment prohibiting overhead writing was also enacted as a law. The association supported several other bills which were killed.

**Regional Officers Named**

The following regional vice-presidents were named, although several are to be appointed later: District 1, G. E. Eiland, Munday; 2, C. H. Ray, McKinney; 3, Adam Martin, Livingston; 5, R. M. Collins, San Benito; 6, Dexter Maples, El Paso; 7, George G. Ordway, Amarillo; 9, Harold Broome, San Angelo; 11, C. E. May, Ranger, and 12, S. J. McFarland, Lubbock.

Hal Hays, Waco, was named chairman of the legislative committee with the following members: A. M. McCallum, Austin; D. A. Clark, Sweet-

water; J. H. David, Orange; R. Q. Silverthorne, Plainview; F. F. Ludolph, San Antonio, and Arthur Simpson, Dallas.

**Mutual Alliance Is Robbed**

Ambrose Kelly of the American Mutual Alliance had an encounter with three sneak thieves, who entered the head office of the Alliance during the noon hour Tuesday. Mr. Kelly, accompanied by Mr. Dahlmann of the National Retailers Mutual Fire, returned from lunch to find three strangers in the office. They backed Kelly and Dahlmann into one of the private offices and fled with an overcoat and some petty cash.

**N. Y. Federation Meeting**

The annual meeting of the Insurance Federation of New York will be held in Utica June 7-8 with golf on the first day and business on the second. There

will be a banquet the evening of June 7. Mayor Sloan of Utica will give the welcoming address and President J. S. McClellan of the federation will respond.

At the business session there will be an address by Mr. McClellan; report of finance committee by John S. Turn; of the executive committee by L. L. Saunders; of the treasurer by A. J. Young. Following election of officers and directors there will be a meeting of the executive committee.

**Ohio Regional Meetings**

Secretary John A. Lloyd of the Ohio Association of Insurance Agents has announced the following list of regional meetings: May 22, Cleveland; May 27; Bowling Green; May 28, Lima; June 3, Dayton; June 5, Akron; June 6, Marietta; June 7, Youngstown; June 10, Columbus. A meeting also is to be held at Hamilton, but the date has not been determined.

**AMERICAN NATIONAL  
INSURANCE COMPANY**

Galveston, Texas

● Ordinary and Industrial Life Insurance and a well diversified line of modern policy contracts, including juvenile policies, retirement income policies, salary savings, and all types of annuities, enable our representatives to render the insuring public the best in Life Insurance Service.

Statement as of December 31, 1934, shows Assets, \$52,721,865.75  
Surplus Security to Policyholders, \$10,401,100.02  
Insurance in Force, \$521,372,831.00

Ordinary and Industrial  
**American National Insurance Company**  
Galveston, Texas

W. L. Moody, Jr., President  
Shearn Moody, Vice-President  
W. J. Shaw, Secretary (In Charge Industrial Agencies)  
E. L. Roberts, Vice-President (In Charge Ordinary Agencies)  
F. B. Markle, Vice-President  
W. L. Moody III, Vice-President

**RAINS** mean more farm business  
- - - and we have just the  
**FARM DEPARTMENT**  
to take care of you

●●● Thirty years' experience and thirteen companies — at your beck and call.

Write to us, and mention the National Underwriter

**CRAVENS, DARGAN & CO.**  
Insurance Manager Houston, Texas



# New York Agents Convene in Syracuse

## Farm Situation Gets Attention

Chairman F. J. Marshall Gives Report at the Annual Convention

### BEACH TALKS ON BOARDS

W. H. A. Munns Finds That Rating Organizations Act Without Consulting the Local Agents

SYRACUSE, N. Y., May 22.—F. J. Marshall of East Aurora, chairman of the farm underwriters' committee of the New York Association of Local Agents, said at its annual meeting that so far as the companies are concerned farm business will always be a problem so long as it is an accommodation line or used as a lever to secure some good business or while it is written over the counter by city agents who know little about farming conditions. He gave some figures as to farm premiums in New York as follows:

Year	Premiums	Losses Paid	Percent
1927	....\$1,376,755	\$1,278,248	92.8
1928	....1,483,602	1,246,643	83.9
1929	....1,530,628	1,401,929	91.6
1930	....1,430,227	1,403,293	98.0
1931	....1,429,032	1,524,297	106.0
1932	....1,340,436	1,681,107	125.4
1933	....1,347,430	1,378,136	102.3

### Sees Some Discrimination

To this must be added an expense ratio of about 41.6 percent. He said that some fire companies cover directly for federal land banks and life companies, writing more liberally for them and on risks they would not take from their agents. The real factor which will control the situation, he opines, is underwriting by both companies and agents. The committee recommends an association of companies whereby one policy could be written on each form. The committee believes that the policy should be written for one year in order to give proper service to the farmer and protect the company where rapid changes of ownership are made. There should be one inspector for all companies in a specified district. This would enable the companies to be sure to get the proper premium. Property that is now written under Class D would receive the proper classification and there would be no discrimination between the farm class and the D class, which now takes the same rate but not governed by the same rules.

### Work of the Agents

He said if it had not been for the New York agents' body the rate on owner occupied encumbered forms in Class 1 counties would be \$1.95 on dwellings and \$2.95 on out buildings. Class 2 and 3 counties would have increased proportionately. He gave some figures from the New York department on Class D for 1933 on both brick and frame dwellings. The premiums were

(CONTINUED ON NEXT PAGE)

## Guide New York Association



FOLLETT L. GREENO, Rochester President



J. W. ROSE, Buffalo Secretary

## Some Snapshots Taken at New York Agents' Meeting

New York agents were back home in Syracuse this year after two years of wandering. Last year they met in Rochester and the year before in New York City. For 15 years before the New York Association of Local Agents met in Syracuse.

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The board of directors of the Excelsior Fire was in session Monday. President R. C. Hosmer had the company's special agents on hand.

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Omar Hine, Watertown, president of the board there, is the New York patriarch. He is 96 years old.

\*\*\*

Business is better, says Vice-President Edward S. Poole, Albany. Customers are taking their bills out of the envelopes now.

\*\*\*

Louis Hawes, secretary of the Underwriters Board of Rochester, has fully recovered from the infected finger which threatened serious illness recently.

\*\*\*

The noon luncheon Tuesday was provided by the Excelsior Insurance Company and a display of legerdemain by an Excelsior man was included. A. H. Staord, Excelsior special agent in Boston, manipulated various objects until those present were completely bewildered.

\*\*\*

President Greeno announced these committees: Resolutions, W. H. A. Munns, chairman, W. W. King, H. D. Rice, T. B. Klapper, J. H. Farrell, A. D. Pardee, and E. W. Couper. Nominating, W. F. Gildersleeve, chairman, E. S. Jarvis, C. H. Tuke, W. H. Fink, W. E. Day, J. L. Tiernon, Jr., and A. T. Matthews. Auditing, Richard Carey and J. J. Butterly.

\*\*\*

Some company men present: F. C. Hatfield, vice-president Phoenix of Hartford; L. R. Bowden, vice-president Pacific Fire; Frank K. Mitchell, assistant secretary American of Newark;

## Enthusiasm Seen at the Meeting

George S. Van Schaick and F. L. Greeno Sound the Key Note

### MANY REPORTS ARE MADE

All Officers Were Re-elected at the Annual Convention of the New York Agents

### OFFICERS ELECTED

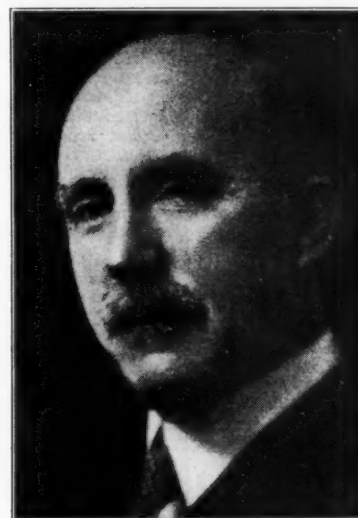
President, Follett L. Greeno, Rochester.  
Vice-presidents, Edward S. Poole, Albany, and John J. Roe, Jr., Patchogue.  
Secretary-treasurer, J. W. Rose, Buffalo.

By RALPH E. RICHMAN

SYRACUSE, N. Y., May 22.—The outstanding addresses at the New York State Association of Local Agents meeting in Syracuse this week were made by Retiring Superintendent of Insurance G. S. Van Schaick and Association President F. L. Greeno. Mr. Van Schaick's remarks were made at

## America's Agent-Directed Company

## Excelsior Insurance Company of N.Y. Syracuse, N. Y.



EDWIN J. COLE  
Fall River, Massachusetts  
Chairman of the Board of Directors  
and President of

The National Association of Insurance Agents

"The American Agents' Company"

(14 Excelsior Directors are prominent local agents)

## Armstrong-Roth-Cady Co.

INCORPORATED  
INSURANCE

930 Marine Trust Building, Buffalo, N. Y.

the banquet in his honor Tuesday night. Mr. Greeno was speaking in his presidential report. Out of these two addresses might be constructed a complete guide for an association public policy. Mr. Greeno emphasized the winning of victory by a demonstration of massed strength in opposition to threatened legislation. Mr. Van Schaick emphasized the winning of victory by offering a constructive substitute solution to the major goal sought in the threatened legislation.

#### Workmen's Compensation Pool

He referred to the company pool plan for guaranteeing workmen's compensation payments. He said the deluge of protests against the enactment of the monopolistic plan was effective but not conclusive for defeat until coupled with the substitute plan to provide a more certain protection to the public. Mr. Van Schaick believes these constructive substitutes should be used to forestall a crisis rather than to wait until they must be used when the crisis is already present. As a basic foundation for the safety of their own business, he urged the agents to promote more actively a public sentiment which would bring enactment of preventive reforms as a contribution from the business rather than to wait until the reform in the eyes of the public is accepted to avert destruction.

Mr. Van Schaick praised the qualifications of his successor, Louis H. Pink, and made a plea that insurance organizations and the new superintendent get corrective legislation for the public benefit.

#### President Greeno's Address

President Greeno opened the Tuesday morning session by paying tribute to Fred Bruns of Syracuse, former president, Charles Miller of Rochester, former secretary and Fred Noxsell, Buffalo, all dying since the last convention.

A net gain in membership of 83 was reported by Secretary J. W. Rose for year. The present membership, being 930, is gratifying but disappointing in view of a reasonable goal of 1,500 members. Company executives present received special words of welcome from President Greeno before he began his annual report. Successful efforts of the association in defeat of legislation, said Mr. Greeno, had increased self confidence of the agents organization as well as public esteem and understanding. Relations with members, the insurance department, companies, brokers, and the state insurance federation were cemented. President Greeno said company-agency relations disclosed many encouraging aspects. He invited the sympathetic attitude of agents toward company problems. An ardent defense of stock company representation only was made. As a fitting slogan, he advanced: "Let your competitors provide inferior goods."

#### Independent Business Men

Mr. Greeno cited the privilege of being independent business men as the chief value of the American agency system to the agent himself and decried any steps which would tend to destroy this privilege. Future problems facing agents, according to Mr. Greeno, are continued threats of state operation in the insurance business and an imminent decrease in fire insurance rates. Constant change as the law of life should give agents encouragement to face these problems with confidence provided agents study and work constructively to solve them.

#### Roy A. Duffus' Talk

Agents should be purveyors of insurance, not professors of insurance. They must be salesmen first in the creed of Mr. Greeno. This was the lead of the president in his introduction of Roy A. Duffus, Rochester, who spoke on "Modern Production Methods," outlining practical ways of getting business. Mr. Duffus warned agents to watch automobile liability policies covering employees and

### New Directors Elected by the New York Agents

Directors, Richard Cary, Niagara Falls; Albert Dodge, Buffalo; K. C. Estabrook, Binghamton; F. L. Gardner, Poughkeepsie; Wm. W. King, Malone; Wm. H. Lucas, LeRoy; Joseph H. Miller, Utica; Hume Moras, Elmira; A. D. Pardee, Kingston; T. L. Rogers, Little Falls; Thos. A. Sharp, Rochester; Archibald J. Smith, New York; A. C. Wallace, Goshen; Harold Moreland, Syracuse; A. T. Matthews, Watertown; George Couenhoven, New Rochelle; Theodore Klapper, Garden City; R. M. L. Carson, Glens Falls.

employers for a cancellation clause providing that notice to one named assured is notice to all named in the policy. Thus an employer might be unprotected without knowing it. These policies, he said, should be changed by endorsement. He urged creating new business rather than constant seeking to wrest already created business from others.

#### Larry Daw Introduced

Larry Daw, manager Syracuse division New York Fire Rating Organization, was introduced by President Greeno as the "Man Who Tells Us." Mr. Daw showed a sample of a new loose leaf rule book which will be distributed in July. A new profits and commission rule is more explicit in definitions. On reduction endorsements it is necessary, said Mr. Daw, to give a complete history of the policy. A new clause recognizes named insured as the sole owner of improvements and betterments and will end many disputes on claims now involving terms of leases. It is no longer necessary to name makers of class C roofs. Mr. Daw reminded agents of the reduction of 40 percent in rates on fire resistive schools, 10 percent on schools of ordinary construction and between these figures on schools of mixed construction.

#### President Cole's Address

President Edwin J. Cole of the National Association of Insurance Agents stated that an alert local agent may usually retain his business where discriminatory rates are used against him by those inside the business through interlocking company organizations and inland marine departments. Whether intended by the companies to raid the agent's business or not, these practices have created and nurtured a lack of agents' confidence in the good faith of their companies.

After reciting briefly the history of compulsory automobile insurance in Massachusetts, Mr. Cole outlined the new plan of Governor Curley there for reducing the rates through reduction of coverage on car occupants to death and dismemberment only. This restriction would not apply to pedestrians.

#### Carson on School Board Data

Secretary J. W. Rose opened the Tuesday afternoon session with a review of the financial status and operations of the state association premium financing service. Russel M. L. Carson, Glens Falls, stated that the antagonistic attitude of school boards might be modified by more careful attention to relations with these organizations. The insurance brokers seemingly are not careful to furnish adequate loss data on school buildings to the inquiring New York school board organization, so that these boards in their conventions and reports heard only about self insurance plans. The New York School Board Association now has a committee studying school building insurance. Mr. Carson is chairman of this committee. He reported that the recently announced lower school rates reduced agitation for state self insurance.

John J. Roe, Jr., Patchogue, suggested that agents should solicit addi-

tional lines of insurance when delivering return premium checks to school boards. Mr. Carson said his school board committee would have a complete report outlining school insurance needs next fall for the New York School Board organization. Richard Cary, Niagara Falls, described school insurance handling there. Mr. Carson told agents that Philadelphia after trying self-insurance had returned to use of stock companies after receiving a special report on school insurance from Professor S. S. Huebner, Wharton School of Finance, Philadelphia.

#### Advocated Leagues of Safety

Thomas C. Goodwin, Rochester, advocated leagues of safety, for curbing automobile accidents. He would have members display on their cars this slogan, "Make a lane of safety, not a path of death." E. Stanley Jarvis discussed the pro rata cancellation rule. Thomas Sharp, chairman of the Rochester Board convention committee urged attendance at the National convention there in September.

Overhead writing of premium finance companies, said John J. Roe, Jr., Patchogue, is jeopardizing the automobile business of agents as renewals are now being written also by these companies.

#### Attention to Premium Financing

Charles Tuke, Rochester, urged more attention to this problem on the part of agent. Cooperation of banks in combatting finance company competition is now feasible according to Howard Dana, Rochester. Banks are ready to loan for automobile purchase to responsible citizens at less than usual financing charges. The customers' savings will go far toward paying for the insurance. Frank A. Fox, Monticello, said it was often difficult for the auto buyer to learn what part of the total charge was for insurance. J. R. Thompson, Amenia, reported that finance company insurance charges were sometimes the same for \$500 to \$1,000 coverage. The agent can quote a lower rate on \$500 but his rate is more for \$1,000. Harry Ogden, vice-president of the Fidelity & Guaranty Fire of Baltimore, said automobile company competition in the insurance business threatened the entire automobile insurance business. He criticized admittance of the General Exchange as an associate member of the National Automobile Underwriters Association.

#### Other Points Made

Fred Lowenguth, Rochester, caricatured the operations of the ill informed agent. Theodore Klapper urged stock companies to write insurance on athletes. As possibilities for extending additional coverage instead of lowering rates, K. C. Estabrook, Binghamton, suggested including smudge damage indemnity for dwellings and extension of the supplemental contract.

#### Resolutions Adopted

Resolutions adopted reaffirmed the New York association adherence to stock and mutual separation practice, urged an intensive stock company advertising campaign, condemned overhead writing through automobile finance companies and spoke as follows on merit rating:

"The New York State Association of Local Agents requests reconsideration of the merit rating plan for automobile liability insurance on private passenger and commercial automobiles. We suggest the advisability of establishing a merit credit to be paid to the policyholder at the expiration of the policy year without requiring renewal in the insuring company, and empower and direct the incoming administration to negotiate with the proper authorities to that end."

All officers were reelected. The terms of Directors W. B. Dickinson of Elmhurst; J. J. Butterly of Peekskill; J. D. Henderson of Herkimer; W. H. A. Munns, Syracuse, and B. G. Tiffany, Jamestown, expired and new ones were elected to replace them.

### Farm Situation Gets Attention

(CONT'D FROM PRECEDING PAGE)

\$3,504,713 and losses \$2,706,065, with loss ratio 77.2 percent.

Mr. Marshall said that about all the improvements in farm underwriting have been brought about by the local agents themselves. The committee urged agents not to abuse the farm underwriting facilities they have. Companies that carry farm property should be rewarded by a sufficient amount of protected and more desirable business.

#### Report from Local Boards

At the Tuesday afternoon session representatives of local boards reported briefly on activities of these organizations. A wide variety of achievements was reported. All stressed the intense concentration on aiding to defeat monopolistic compensation legislation and compulsory automobile insurance. The reporting boards and agents who spoke for them with high lights of their activities:

Binghamton—K. C. Estabrook. Fifty percent increase in paid membership.

Jamestown—Bert Tiffany. Cooperation with local manufacturers' association and chamber of commerce on insurance legislation.

Dutchess County—Frank Gardner, Jr. Fire prevention week program. Use of public bill boards throughout year for safety education.

Erie County—Fred J. Marshall. Educational meetings for agents. Advertising in press to promote purchase of automobile insurance from agents instead of through finance companies.

#### Report from Rochester

Rochester—Louis Hawes. Entertaining largest state and regional agents conventions. Survey to learn number of insurance employees and amount of their annual purchases in Monroe county. Use of stickers on checks of insurance people proclaiming purchase of \$8,500,000 worth of goods annually. \$15,000,000 when counting those in offices of legal reserve life companies. Obtaining national convention. Special train carrying 175 to Albany legislative hearing. Sponsoring a safety league.

Nassau County—T. B. Klapper. Getting letter from mortgage companies stating that placing of insurance as desired by property owner would not affect treatment of mortgagor with permission to show letter in solicitation. Work with life companies to have their mortgaged property in community insured locally. Membership increased from 42 to 85.

#### Niagara Falls Active

Niagara Falls—Richard Cary. Handling school insurance through club. Club headquarters cleared telegrams of protest on threatened legislation. Two thousand letters and telegrams forwarded from Niagara Falls.

Syracuse—H. L. Moreland. Telling Syracuse people that insurance office employees and agents spend \$2,000,000 annually in city. Cooperative advertising in daily papers.

Suffolk County—R. E. O'Donohue. Regional meetings added 15 members. Bank balance, \$1,200.

Suburban New York—A. L. Schwab. Activity to curb newspaper accident policy sale. Support of brokers' bill which was enacted. HOLC bulletin to members.

New Rochelle—George Couenhoven. Board handles city business. Centralizes credit information.

#### Other Reports Given

Westchester County—B. B. Reilly. Joint meeting with field men. Others who spoke briefly were Omar Hine, Watertown; A. V. D. Wallace, Goshen; C. S. Wagner, Richmond county; H. S. Terwilliger, Ulster county; R. M. L. Carson, Glens Falls, and H. M. Giesenhoff, Groton.



## AS SEEN FROM CHICAGO

### HESS & CO. APPOINTED

George R. Hess & Co. of Chicago have been appointed agents of the General of Seattle, Commercial Standard of Texas and Union of Indiana. The agency succeeds the Western Insurance Agency, L. W. Hanchek, manager, which has been discontinued by mutual consent.

\* \* \*

### DEATH OF J. B. WHITE

J. B. White, who was with the Glens Falls in Chicago from 1890 to the time of his retirement in 1926, died last week at the age of 75. Mr. White was one of the proteges of J. L. Whitlock, who was for so many years western manager of the Glens Falls in Chicago. He began as bookkeeper and cashier of the western department in Chicago when it was opened by Mr. Whitlock in 1890. When the western department was moved to the home office Mr. White became Cook County special agent, and in 1921 became joint Cook County manager with Chester M. Hayden, now vice-president and Cook County manager. Mr. White was stricken with ptomaine poison when returning from a trip to St. Louis.

In his day he was very active in the Cook County field, and is still well remembered by agents, especially by those on the south and west sides of the city.

\* \* \*

### DEATH OF EDWARD BREMNER

Edward A. Bremner, one of the associate partners of Moore, Case, Lyman & Hubbard, Chicago, died last week at the Oak Park Hospital, Oak Park, Ill., where he had been taken 10 days previously due to an acute attack of uremic poisoning. Mr. Bremner was the oldest person connected with the agency. He started in the Moore & Jones agency as an office boy in 1881. He was born in January, 1865. He had been connected with the agency, therefore, for 55 years. For a long time he was the well known counterman of the agency. Later he developed into a business getter and built up a good volume.

Mr. Bremner is survived by Mrs. Bremner, two daughters, Mrs. Vivian B. Fitzgerald and Lorraine Bremner, and

one son, Paul. The office of Moore, Case, Lyman & Hubbard was closed Monday morning in tribute to his memory.

\* \* \*

### ARTHUR RAYMOND IS HONORED

Arthur M. Raymond, on the completion recently of 10 years' service as Cook county manager of the Travelers Fire, was presented by the fire staff of his office with a handsome onyx desk set. The mounting between the pens is a bronze door knob from the front door of the Connecticut Fire home office in Hartford. Mr. Raymond obtained this knob when the building was torn down to be replaced by a Travelers building. His father, M. H. N. Raymond, traveled Michigan 27 years for the Connecticut Fire, and Arthur Raymond was connected with that company for some time. His signature, therefore, is now wreathed in sentiment.

\* \* \*

### HELM VISITS IN CHICAGO

Harry E. Helm of Baltimore, secretary of the Fidelity & Guaranty Fire, was in Chicago this week en route to Seattle. He was accompanied by Mrs. Helm. On the way out they will stop at Moscow, Ida., where their daughter resides. The daughter married a professor in the state university, which is located at that point, some months ago. Mrs. Helm will remain there while Mr. Helm will go on a business trip. He will then take his vacation and spend the time on the coast.

\* \* \*

### MAY HOLD FATHER-SON LUNCH

A census of the father and son combinations in the Chicago insurance business is to be taken at a luncheon being proposed by P. B. Hosmer, chairman of the Chicago Insurance Agents Association. Mr. Hosmer sent out a letter to all class 1 members of the Chicago Board asking for responses from all those who can qualify and are interested. He pointed out that at a recent gathering the question came up as to how many class 1 fathers had sons in the insurance business and it was decided a special patres-filii luncheon would be the best way of finding out.

## NEWS OF THE COMPANIES

### Denman Kountze at Helm in the National Security

Denman Kountze, who has been vice-president of the National Security Fire of Omaha, has now been appointed secretary and treasurer and will be in complete charge of the central department of the company. The change was made on account of the resignation of B. A. Jochen, who is to become assistant United States manager of the Eagle Star & British Dominions.

Mr. Kountze has been connected with the National Security as vice-president three years. Formerly he was vice-president of the First National Bank of Omaha. He has acquired a good knowledge of the insurance business and is ready to take the helm.

T. A. McLean, who has been connected with the North America in its western department at Chicago for seven years, as an engineer, is transferred to Omaha to assist Mr. Kountze and will handle engineering matters.

A. H. Behrends, who is now located in Omaha, as an engineer, is being transferred to Chicago in the engineering department of the North America.

### Moves to Lebanon, Ind.

The Pioneer Equitable is moving from Indianapolis to its new home office building in Lebanon, Ind., this week,

which is the ninth anniversary of the issuance of its first policy. The acquisition of the home office building furnishes good facilities for handling business, and gives room for expansion. The property was advantageously purchased and rentals will represent a good investment return. The company is licensed in Indiana, Illinois, Michigan, Minnesota and Missouri. The officers are: Tipton S. Ross, president; C. T. Akin, vice-president; H. B. Messick, secretary, and Harry M. Miller, treasurer.

### Capital Is Reduced

The proposal to reduce the capital of the Hamilton Fire from \$500,000 to \$200,000 was approved by the stockholders at a special meeting this week. With this change, after adjusting securities to market prices, net surplus is \$350,000. So far this year, the company has reduced its borrowed money indebtedness from \$765,000 to \$230,000.

### New Stock Issue Voted

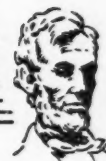
The directors of the National Fire & Marine of Elizabeth, N. J., have authorized an issue of \$100,000 additional preferred stock of \$100 par value. Giving effect to the completion of this transaction, the capital will amount to \$600,000, consisting of \$300,000 preferred stock and \$300,000 common. The surplus will be about \$300,000.

Celebrating 70 YEARS of SERVICE

1865

1935

TWO MONTHS BEFORE LINCOLN WAS KILLED



That long ago this company started the steady progress that has made it one of the nation's leading fire insurance companies.

honest claim, cooperation with agents.

Among the policies that made this growth possible are: reliability, financial stability, payment of every

The Reliable is going forward to new achievements. Would you like to go along? Write.

An independent Ohio Company with a current Surplus to Policyholders of \$1,064,871.



Frank J. Bucher  
President

Wm. F. Kramer  
Secretary

E. J. Weiss  
Asst. Secy

"THERE is a new faith in the future. Once more it seems worth while to try to save. At least the Americans who bought \$1.5 billion of life insurance in the first two months of this year think so."

Quoted from  
Editorial in "Business Week"  
April 13, 1935.

John Hancock  
LIFE INSURANCE COMPANY  
OF BOSTON, MASSACHUSETTS

## THE NATIONAL UNDERWRITER

Published every Thursday

By THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York  
PUBLICATION OFFICE, A-1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
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HOWARD J. BURRIDGE, Vice-Pres.-Gen. Mgr.  
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Subscription Price \$4.00 a year; In Canada, \$6.50 a year. Single Copies 20 cents. In Combination with Life Insurance Edition, \$5.50 a year; Canada, \$10.50. Entered as Second-class Matter April 25, 1931, at Post Office at Chicago, Ill., Under Act, March 3, 1879.



### Consistent, Continued Attack Needed

RENEWED impetus is being given these days to the program to restore to local agency channels the automobile insurance now handled by finance companies. This is one of the capital issues at the various meetings of local agents now being held. The ARKANSAS ASSOCIATION OF INSURANCE AGENTS proposes as a last resort to organize a finance company of its own.

The AMERICAN ASSOCIATION OF INSURANCE GENERAL AGENTS has become a potent factor in this undertaking. The new president, B. P. CARTER of RICHMOND, VA., is very much interested in the project and under his leadership, the association is expected to further the campaign.

The paper prepared by WALTER MEISS, general agent of the LONDON ASSURANCE, which was read at the meeting of the general agents' association, is probably the most comprehensive and forceful treatment of the issue that has yet appeared.

If headway is to be made, there must be continuous agitation on all fronts and the individual agent must exert himself, more than the commission justifies, to wrest business from the finance companies, so as to get the ball rolling. The rewards will come later when the present system is weakened.

There are those who say that the cam-

paign is futile, that the finance companies will insist upon handling their own insurance and have the power to command that privilege. We doubt that the system has such divine origin that it cannot be budged by concerted and continued attack. Certainly the system will not be disturbed if it is not attacked.

The insurance operations of the finance company seriously impair the opportunities of the local agent in the automobile insurance line, which represents a large part of the agents' living and which currently is one of the very few departments that is showing a general increase. The GENERAL EXCHANGE is no longer confining its writings to fire and theft alone, but is demanding collision insurance of those who finance their cars through the GENERAL MOTORS ACCEPTANCE CORPORATION. This deprives the local agent of a large number of the best prospects for collision insurance—the new car buyer. It is not inconceivable that the finance companies may extend their hold by handling the third party automobile coverages. At any rate, as time goes on, the finance companies will become more and more entrenched as automobile insurers and automobile insurance agents, unless a determined effort to dislodge them is made. The current efforts are promising, and they should be continued.

### High Honor to Herbert A. Clark

It is seldom that a man is recalled to the presidency of a prominent insurance organization and yet that is the experience of HERBERT A. CLARK, vice-president and western manager of the FIREMEN'S, who has been chosen to head the WESTERN INSURANCE BUREAU again. Mr. CLARK fell heir to the presidency in 1925 when he was western manager of the NATIONAL LIBERTY, WAITE BLIVEN, western manager of the FIREMEN'S holding the office, but he died that year. Mr. CLARK as vice-president was the natural successor and he assumed the office in December, 1925. He was reelected the two following years. Since then he has been chairman of the executive committee, and subsequently chairman of

the board after the WESTERN INSURANCE BUREAU was incorporated.

MR. CLARK takes high rank in insurance. Possessing a pleasing and amiable personality, he is thorough in his methods and sound in his procedure. He is doubly honored now because he is not only president but retains the chairmanship of the board of directors.

If you want to get yourself thoroughly disliked: Break your promises; don't put yourself out to help others; be boastful or sarcastic; exaggerate your importance; display a superiority over others; make fun of a man behind his back and get caught at it.—W. A. Granville.

## PERSONAL SIDE OF BUSINESS

Albert Dodge, who has been associated for many years with the Armstrong-Roth-Cady Company in Buffalo, being vice-president, has resigned from that firm but has not decided on his future plans. He is a member of the executive committee of the National Association of Insurance Agents, is a former New York association president, is chairman of the advertising and publicity committee of the National association and is one of the leaders in the agency movement.

The W. H. Mandeville Company, Olean, N. Y. is now celebrating its 75th anniversary. The agency was founded in 1860 by J. D. Mandeville at Belmont, N. Y. It was moved to Olean in 1863. Among the first companies represented were the Connecticut and the Home. In 1880 J. H. Thompson and John Troy were taken into the partnership. In 1905 Messrs. Troy and Thompson retired and the agency was incorporated. In 1912 Mr. Mandeville died and his interests were taken over by W. L. Pelton and John Larkin. In 1918 Mr. Larkin died. Mr. Pelton is now president of the agency.

James H. Ross, well known insurance attorney at Oklahoma City, has joined hands with V. E. McInnis, the law firm being in the Ramsey Tower, to be known as V. E. McInnis & James H. Ross. Mr. McInnis is general counsel for the Public Service Company of Oklahoma, the Weleetka Pipe Line Company, Pittsburg County Railroad Company, Iowa Lumber Company and Peoples Ice Company. He is attorney for other substantial corporations. He has studied carefully insurance questions coming up with these various organizations. Mr. Ross is regarded as one of the best legal authorities in his state.

Howard A. Archer, former western field men for the Meserole group, and who for some time was a local agent at Paris, Ill., is now associated with the F. W. Fort reinsurance syndicate of Newark, N. J. For some time past he has been traveling for an illuminating sign concern. Mr. Archer has been making the rounds in the west and visited Chicago.

C. P. Hall, Wisconsin state agent Monarch Fire and Eureka-Security Fire & Marine, and secretary of the Wisconsin Insurance Club, is receiving felicitations on the birth of a daughter, his fourth child.

E. G. Frazier, assistant western manager of the Springfield, has returned from a two weeks' trip through the west and southwest during which he held conferences with field men at several points. At Denver he conferred with the mountain states field men, at Kansas City with the Missouri and Kansas special agents and at Dallas with the Oklahoma, Arkansas and Texas representatives. He viewed at first hand some of the hail damage, particularly at Ponca City, Okla., where the companies re-roofed most of the town and its automobiles. A number of losses there, he reports, have been reopened because of damage done by water before the roofs were repaired.

Price Russell, for many years treasurer of the Ohio Farmers, was bereaved last week by the death of his wife at their home in Creston, O. Mrs. Russell had been in poor health for some time.

The companies in the J. Logan Gover Agency of Mattoon, Ill., are all represented Wednesday of this week in honor of Miss Nettie Cooper, who has been connected with the office for 25 years. Miss Cooper started with the Spittler & Noble agency, the forerunner of the

Gover office. The field men all cooperated to pay her honor, the banquet being held at the country club. A golf tournament was held during the day. Assistant Manager W. K. Maxwell of the Hanover Fire was present as one of the guests.

The Clem Noll agency of Alton, Ill., was host to about 25 field men and other representatives of the companies represented in the agency at the second annual "hog fest." Mr. Noll is president of the Alton board.

R. E. O'Malley, Missouri superintendent of insurance, became a grandfather May 19 when a 9-pound boy was born to Mr. and Mrs. Lambert S. O'Malley of Kansas City.

J. H. Doyle of Glen Ridge, N. J., general counsel of the National Board, has been renominated for the borough council of his home town. He is also chairman of the police committee and member of the committee on public works, law and ordinance and unemployment.

Howard Pattillo, head of the Pattillo Insurance Agency, Atlanta, organized by his father, W. P. Pattillo, in 1866, died there in his 65th year.

F. C. White, vice-president of the Hartford Fire and chairman of the important committee on laws of the National Board, is at White Sulphur Springs, W. Va., recuperating from a recent illness.

James M. Larmore, former manager of the insurance department of the Farmers Trust Company of Anderson, Ind., and former Norwich Union field man, is receiving sympathy in the death of his daughter, Mrs. Francis McCarthy, Sunday night following a brief illness. Her husband is auditor of the Indianapolis Board of Public Works. Mr. Larmore's daughter accompanied him to many insurance gatherings.

Senator John A. Lloyd, who is secretary of the Ohio Association of Insurance Agents, is being prominently mentioned as a Republican candidate for lieutenant governor of Ohio. Senator Lloyd, whose home is at Portsmouth, has served three terms in the Ohio senate and has been one of its leaders. Much credit is given him for the enactment of insurance measures at the present session.

A. E. Bulau, Columbus, associate Ohio state agent of the Home, has a penchant for delving into history, collecting souvenirs and making moving pictures. His latest exploit has been into the history of fire insurance companies in Ohio. He has found that of the 96 Ohio joint stock fire companies which became Ohio stock companies when the law was changed, only eight are still in existence. The first of these was the Cincinnati Insurance Company, organized in 1829. It was reinsured in 1900. Those still active are the American Druggists, organized 1906; American National Fire, 1916; Columbia Insurance, 1881; Eureka Fire & Marine, 1864; Monarch Fire, 1929; Ohio General Fire, 1926; Reliable Fire, previously the Teutonia, 1918, and Western & Southern Fire.

H. A. Bush of Chicago, assistant western manager of the Fireman's Fund group, who has been absent from the office for some weeks on account of illness, has now recovered his health and will return to assume the full duties of his desk the first of the month. He has already appeared at the office and looks very fit. He has been on a vacation at Asheville, N. C.



EVERY TIME A "*For Rent*" SIGN COMES DOWN AND A NEW TENANT MOVES IN

*Another PROSPECT for RENT INSURANCE!*



THE demand for rents has clearly begun to revive and real estate conditions are definitely on the mend. Properties that have been unproductive for several years are once again paying their way.

Owners of such shops, offices, apartments know by bitter experience what it means to have unrented real estate on their hands. Against the effects of the depression, however, they had no means of defense. Won't these same landlords think twice before turning down a supplementary form of insurance which, in the event of damage to, or destruction of, their property by fire, explosion, windstorm or water, will prevent a repetition of their misfortune?

RENT AND RENTAL VALUE INSURANCE

THE ÆTNA FIRE GROUP  
HARTFORD · CONNECTICUT

ÆTNA INSURANCE COMPANY - THE WORLD FIRE AND MARINE INSURANCE COMPANY  
THE CENTURY INDEMNITY COMPANY - PIEDMONT FIRE INSURANCE COMPANY

New York

Chicago

San Francisco

Charlotte, N. C.

# FIRE INSURANCE NEWS BY STATES

## MIDDLE WESTERN STATES

### McClain Praises New Code

**Indiana Commissioner Addresses New Albany Regional Meeting of State Local Agents Association**

The Indiana Association of Insurance Agents held a regional meeting at New Albany last Friday. About 150 agents were present, attending from eight counties. Leon Hammer of New Albany, regional vice-president of the Indiana association for the New Albany district, presided. State Senator W. B. Janes introduced the main speaker, Insurance Commissioner H. E. McClain. Senator Janes praised the New Albany Board, saying that it had been of great benefit to the community.

#### Commissioner McClain's Talk

Commissioner McClain said that last year Indiana citizens paid \$122,000,000 in premiums on all kinds of insurance. He stated it is the first state to codify its insurance laws, pointing out that nine others have attempted to do so but so far have failed. He said that the purpose of the new Indiana code is to protect policyholders and those who are honestly in the business. He declared that it is the purpose of the department to see that the law is strictly and impartially enforced. Mr. McClain said that he does not intend to be arbitrary but will do everything to assist the insurance folks.

Prior to the adoption of the code, the commissioner said it was impossible for the department to rule on a number of problems because of the ambiguities in the statutes. He stated that the insurance companies have poured into the laps of the people an average of \$6,000,000 daily for the last five years. He explained some of the features of the code and paid high compliment to the New Albany Board for acting as the official host.

#### Arrangements Committee

The arrangements committee of the board consisted of Emmett Furlong, Loftus-LaDuc Company, Mutual Trust & Deposit Company, Floyd County Bank; Leon Hammer, Edward J. Tighe, Frank J. Zoeller; Ohio Valley Insurance Company, Trust Insurance Agencies, Newhouse & Weber, and Bernard J. Weber.

### Insurance Not to Be Forced

**Michigan Department Lays Down the Law to Life Companies That Make Loans**

LANSING, MICH., May 22.—The Michigan insurance department has taken an advanced position on life companies making loans on property where they instruct that the fire and casualty insurance be placed with affiliates. The department learned some time ago that a life company was seeking to gain business for its fire company in this way. A letter of inquiry brought an explanation from one of the mortgage loan department executives to the effect that it was deemed "only fair" that the mortgagor should place his fire insurance with the affiliate. The Michigan department disagreed with this stand and so instructed the company. The Michigan department has taken the position that it is opposed to "forcing" business by other financial institutions such as banks and trust companies and it sees no difference in the principle involved where a life company makes a loan.

### Ohio's Membership Campaign

**State Association of Agents Seeks to Boost Its Membership to Highest Point**

A very unique and successful membership campaign is being conducted by the Ohio Association of Insurance Agents. The campaign began May 8. Twenty-three two-man teams visited various sections of Ohio at the beginning of the campaign to bring the membership up to the greatest point in the history of the organization. Remarkable results were obtained the first day of the campaign and Secretary John A. Lloyd is now busy organizing the follow-up work. President Hugh L. Meek of the state association at Columbus, appointed Trustee Harvey S. Martin of Toledo as chairman of the campaign. The campaign will be completed by the time of the nine district conferences which will be held the last of May and the first of June.

Announcement is made that George W. Scott of New York City, assistant secretary National Association of Insurance Agents, will be on the speaking program at these district conferences.

### Plans for Insurance Course

**Cincinnati Agents Arrange for Regular Course of Instruction Next Season at the University**

Dr. F. E. Wolfe, formerly of the University of Illinois and now economist with the Procter & Gamble Co. at Cincinnati, will be instructor in charge of the evening course in property insurance to be given by the University of Cincinnati next fall, according to an announcement issued by the Cincinnati Fire Underwriters Association, which has arranged this course. J. F. Schwehr, secretary of the association, stated that classes will be held one evening a week for a two-hour period beginning the week of Sept. 23 and continuing until June. The course is designed for practicing fire underwriters and office employees of underwriting agencies and will cover the fundamental principles underlying important phases of the fire business. It is hoped that a casualty course will be offered the following year.

The committee of the association which arranged the course for the university consisted of Theodore Safford, president; Walter Alexander, Max Bernstein, Thomas Bryant, Albert Eckes and G. B. Wilson.

### Harry B. Hulett Was Honored

**Field Men Celebrate Webb City, Mo., Local Agent's 35th Anniversary in the Business**

The insurance companies represented by Harry B. Hulett of Webb City, Mo., gave a dinner in his honor in observing his 35th year as an agent. A silver coffee service set was presented to Mr. and Mrs. Hulett by the companies. He entered the insurance business in Webb City, May 1, 1900. Among the company men present were the following:

W. B. Winchell, Kansas City; W. C. Brown and A. A. Notton, St. Louis, Pennsylvania Fire; J. F. Deiber and A. B. Young, Kansas City, Hartford Fire; D. R. Ford and T. O. Nuckles, Kansas City, Springfield Fire & Marine; C. E.

Meffert, Centralia, Liverpool & London & Globe; H. C. Ferry, Kansas City, New Hampshire Fire; J. A. Thomas, Kansas City, Norwich Union; W. E. Steffy, St. Louis, Commercial Union; R. O. Beistle and Arthur Conger, Jr., Kansas City, National Fire; Max Jones, Kansas City, Home Fire & Marine.

### Gilmore Elected President of Southeast Kansas Group

COFFEYVILLE, KAN., May 22.—James D. Gilmore, Independence, who is a member of the executive committee of the Kansas Association of Insurance Agents, was elected president of the Southeast Kansas Agents' Association at its first meeting here. The meeting was attended by about 60 local agents in this district, with about 80 agents and field men at the banquet. C. C. DeBolt, Chanute, was elected vice-president and William Newkirk, Independence, secretary. The district meeting next year will be held at Independence. A. R. Lamb, Coffeyville local agent, was toastmaster at the banquet.

John V. Kelly, Leavenworth, and Don Ellis, Kansas City, Kan., president and vice-president of the Kansas association, were present. Frank T. Priest, Wichita, National association executive committeeman, was the banquet speaker. Duane T. Stover, Wichita, national councillor, talked in the afternoon. Agents in at least two towns announced that they will try to organize local boards in their towns.

E. A. Henne, Chicago, western manager America Fore, who attended, presented Sam Carpenter, Coffeyville local agent, a medal for 25 years' service with his company at a luncheon.

### Hold Minnesota Federation Meeting Evening of June 4

MINNEAPOLIS, May 22.—The Insurance Federation of Minnesota will hold its annual convention the evening of June 4 at the Curtis hotel, Minneapolis. It will open with a dinner, followed by a short business session with reports of officers and committees, and then the meeting will be thrown open for discussion of any matters that may be brought up. There will be no special speakers. Every one present will be invited to present any matter of interest.

T. G. Linnell of Enck & Linnell, Minneapolis, is chairman of the arrangements committee, others being R. J. Grant, president Hardware Mutual Fire, Minneapolis; J. E. Reimann, president Fred L. Gray Co., Minneapolis; R. V. Mothersill, vice-president Anchor Casualty, St. Paul, and G. A. Satten, St. Paul general agent Mutual Life of New York.

### New Rochester, Minn., Plan

A coinsurance plan has been put into effect on a large part of the city owned property in Rochester, Minn. A third of the insurance on each property expires each year. This ultimately will eliminate 40 to 50 policies now in force.

### Plans for Illinois College

SPRINGFIELD, ILL., May 22.—State Fire Marshal S. V. Coultas announces that the program is about completed for the annual fire college at the University of Illinois, June 11-14. The college is sponsored by the Illinois Firemen's Association, with the state fire marshal cooperating. The director of the course is Prof. L. H. Provine of the department of architecture. Four separate schools will be conducted, embracing engineers, inspectors, volunteer departments and job analysis. Practical instruction in first aid and evolutions will be given. Open sessions will be

### At Annual Meeting



A. B. DUNBAR, Omaha, Neb.

A. B. Dunbar of Omaha, president Nebraska Association of Insurance Agents, has charge of the annual meeting of the organization at Hastings this week. Mr. Dunbar is president of the Dunbar Insurance Corporation.

devoted to topics of timely importance. The course will offer elementary work for those who are attending the first time, with advanced work for those who have attended previous courses.

### Hear Deviation Cases May 28

The Ohio supreme court has set May 28 as the date for hearing on their merits the suits instituted by the Merchants Fire of Indiana and the General of Seattle to set aside the recent ruling of Superintendent Bowen, barring deviation filings. A motion for a stay of execution of the order was to have been heard May 23 but the cases will now be heard together on the later date.

### Yetka "Cleans House"

Frank Yetka, Minnesota commissioner, has removed 12 of 36 members of his staff, holdovers from the administration of Garfield W. Brown. Those replaced were Republicans. New employees are members of the Farmer-Labor party. Included in the key positions taken over were the following: Thomas Barbeau, Minneapolis, actuary; Leonard Long, St. Paul, rate supervisor; Albert Burger, Minneapolis, examiner, and Francis Holahan, St. Paul, custodian of funds and examiner.

### Agents Must Sign Endorsements

In connection with the new Indiana code the question has arisen as to whether salaried officials of companies can sign endorsements on policies where there is no monetary consideration involved. It has been the custom in the past in general offices for some executive to sign these endorsements and frequently field men have done so. Commissioner McClain rules that under the law all endorsements of any character must be signed by an agent compensated wholly on a commission basis.

### Holds Duluth School Line

The board of education of Duluth has reappointed the Prindle-Jones agency its agent of record for the three-year term commencing June 8. Fire insurance under a master policy embracing a total line of \$5,300,850 covering buildings and contents was ordered distrib-



# LOYALTY GROUP

## FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

**Surplus to Policyholders, Dec. 31, 1934, \$16,006,502.99**

(Securities at Market Value)

### THE GIRARD FIRE & MARINE INSURANCE CO.

Organized 1853

Surplus to Policyholders Dec. 31, 1934

**\$2,087,058.35**

Securities at Market Value

82 YEARS IN BUSINESS

### THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

Organized 1854

Surplus to Policyholders Dec. 31, 1934

**\$935,329.77**

Securities at Market Value

81 YEARS IN BUSINESS

### NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

Organized 1866

Surplus to Policyholders Dec. 31, 1934

**\$1,932,062.99**

Securities at Market Value

69 YEARS IN BUSINESS

### THE METROPOLITAN CASUALTY INSURANCE CO. OF NEW YORK

Organized 1874

Surplus to Policyholders Dec. 31, 1934

**\$1,796,718.88**

Securities at Market Value

61 YEARS IN BUSINESS

## HAZARDS INSURED

Fire and Lightning  
Sprinkler Leakage  
Tornado—Windstorm  
Ocean and Inland Marine  
Tourist Baggage  
Riot and Civil Commotion  
Explosion  
Parcel Post  
Loss of Use  
Earthquake  
Aircraft  
Automobile—All lines  
Personal Accident  
Health  
Group Disability  
Plate Glass  
Burglary, Theft and Larceny  
Hold-up—Robbery  
Blanket Residence  
Public Liability—All Lines  
Contingent Liability  
Elevator Liability  
Elevator Property Damage  
Golf and All Sports Liability  
Products Liability  
Professional Liability  
Malpractice  
Check Alteration and Forgery  
Fidelity Bonds  
Surety Bonds

## GROUP LOSSES PAID

Over

Four Hundred Million

**\$429,842,318.00**

### MILWAUKEE MECHANICS' INSURANCE COMPANY

Organized 1852

Surplus to Policyholders Dec. 31, 1934

**\$5,005,480.77**

Securities at Market Value

83 YEARS IN BUSINESS

### SUPERIOR FIRE INSURANCE COMPANY Surplus to Policyholders Dec. 31, 1934

Organized 1871

**\$2,081,259.40**

Securities at Market Value

64 YEARS IN BUSINESS

### THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

Organized 1870

Surplus to Policyholders Dec. 31, 1934

**\$2,243,727.39**

Securities at Market Value

65 YEARS IN BUSINESS

### COMMERCIAL CASUALTY INSURANCE CO.

Organized 1909

Surplus to Policyholders Dec. 31, 1934

**\$2,022,134.99**

Securities at Market Value

26 YEARS IN BUSINESS

WESTERN DEPARTMENT  
344 Rush Street  
Chicago, Illinois

CANADIAN DEPARTMENT  
461 Bay Street  
Toronto, Canada

EASTERN DEPARTMENT  
10 Park Place  
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT  
220 Bush Street  
San Francisco, Cal.

SOUTH-WESTERN DEPT.  
912 Commerce Street  
Dallas, Texas

**AGE—EXPERIENCE—GOOD FAITH—PERFORMANCE—SOUND INSURANCE PRINCIPLES**

uted among agents of the city. The Prindle-Jones company will service the board and retain a certain percentage of the business, distributing the balance among the agents as directed by the board. The master policy is written in a single company, the local agents writing their share as reinsurance, thus affording the board of education one contract over all.

### Hession Des Moines Speaker

T. J. Hession, Des Moines manager of the Western Adjustment, addressed the Des Moines Underwriters Association Friday on "Adjustments." He is the new most loyal gander of the Iowa Blue Goose.

### Plans for Michigan Meetings

The Michigan Association of Insurance Agents will hold a regional convention at Detroit June 5. Martin Mullally is chairman of arrangements. J. A. Grow of Detroit, president of the Michigan association, will be in charge. The Michigan body has added 79 new members and reinstatements since Jan. 1.

The upper peninsula district regional meeting will be held at Blaney Park, July 13. This will be the eighth annual meeting of this group.

### Goes With Garmire's Office

Crane T. Shea, Omaha, has associated himself with the John D. Garmire independent adjusting office to replace Frank A. Sucha, deceased. Mr. Shea has had a number of years experience in adjustment work in both Chicago and Omaha.

### Talk By Burlingame

Homer Burlingame, Jr., manager Western Adjustment at Cincinnati, spoke before the members of the Cincinnati Fire Underwriters Association and a number of solicitors at its meeting on loss adjustments in relation to agency work.

### Kennard, Ind., Agent Honored

At a luncheon given to Homer C. Garriott of Kennard, Ind., and his friends C. A. Cooke, state agent of the farm department of the Fidelity-Phenix, Indianapolis, presented him with a gold service medal in honor of his 25 years with that company and in his agency.

### St. Louis Showdown May 24

ST. LOUIS, May 22.—The final showdown on the demand of the executive committee of the Fire Underwriters Association of St. Louis, that no member of the association shall represent any company which either directly or indirectly through affiliates has agents in St. Louis who are not members of the association, is set for May 24.

It is understood that the preliminary checkup by the executive committee indicated that 11 companies were affected and that 30 or 40 members of the association represented such companies, with about 30 non-member agents involved. Early returns indicated that most companies and members of the association would comply with the new rules, but it is believed that a few will refuse to do so.

### South Dakota Fire Loss

The fire loss in South Dakota for 1934 is estimated by the state fire marshal at \$624,744. In only one year in the past 10 has the annual loss been less than \$1,000,000.

### Citation of Case Given

Considerable interest has been aroused in the recent warning sent out by the Western Adjustment to Michigan agents based on a decision of the Michigan supreme court on cancellations. The case was *Irish vs. Monitor Insurance Company of Oakland county*. The case arose from a decision of the Oakland County circuit court and was sub-

mitted to the supreme court June 13, 1933. The case was decided Oct. 2, 1933, judgment being affirmed against the insurance company. It is found in Michigan reports, Vol. 264, Page 586.

### To Name Successor Soon

The executive committee of the Minnesota Association of Insurance Agents will meet soon to elect a successor to the late F. C. Esterly as president of the association. C. O. Brown of Rochester is chairman of the executive committee.

### Delay Action on Constitution

The Kenosha (Wis.) Association of Insurance Agents, at a dinner meeting, delayed acceptance of the report of the constitution, by-laws and code committee until the June meeting. About 60 attended.

### Big Downtown Minneapolis Loss

Fire of undetermined origin, marked by a series of explosions, destroyed the Davis & Ruben Furniture Company store in downtown Minneapolis, with loss estimated at more than \$200,000. Smoke and water damage was suffered by J. C. Penney, Woolworth and S. S. Kresge stores nearby.

### Cats Meow Outing

The St. Louis court of Cats Meow at a luncheon meeting with Dent Painter, most powerful meow, president of the Insurance Executives

Association, made final arrangements for its outing the afternoon of May 25.

### Plan Cleveland Picnic

The annual picnic of the Insurance Board of Cleveland has been set for June 26 at the Lake Forest Country Club. The picnic committee consists of John A. Kysela, C. B. Hawkins, T. K. Dissette, R. D. Reed, Irwin Freiburger and Carl Fischer.

### Rockford Field Day June 6

The annual field day of the Rockford Board, Rockford, Ill., is to be held June 6. The committee in charge consists of W. H. Jennings, Jr., Frank Colehour and Rodney Wilson.

### Middle West Notes

C. L. Dickey, 65, local agent of Columbus, Neb., died suddenly at his home.

The Peerless Insurance Agency, Cleveland, has been incorporated by M. Krivo, Agnes A. Kapl and C. F. Sampson.

The Budget Insurance Agency, Canton, O., has been incorporated by M. W. Friedman, Alice Sumser and F. L. Wilkins.

W. H. Levering, formerly a partner in F. W. Robinson & Co., Cleveland, has purchased the E. S. Campbell agency there and will open his own agency in the Citizens building, operating as W. H. Levering & Co.

P. H. Davis, 56, president of the Norfolk Loan & Insurance Company, Norfolk, Neb., died there following an abdominal operation. He was widely known in insurance and business circles in Nebraska.

## IN THE SOUTHERN STATES

### Oklahoma Insurors in Move

#### Resolution Adopted at Regional Meeting to Name Committee on Riot, Civil Commotion

At regional meeting of the Oklahoma Association of Insurors in Lawton, a resolution was adopted authorizing the appointment of a committee to devise a plan to obtain the approval of the state insurance board for a supplemental contract, and make it possible to issue riot and civil commotion coverage by endorsement on a fire policy. On the committee are M. B. Breeding, E. W. Clarke and E. R. Ledbetter of Oklahoma City. The meeting was considered very satisfactory, although attendance was somewhat handicapped by floods.

Melvin Campbell, special agent of Appleton & Cox, Dallas, Tex., discussed personal property floater and other marine lines. E. W. Clarke of Oklahoma City outlined the benefits of supporting and belonging to local boards, and what they had accomplished. M. B. Breeding explained the HOLC plan of handling insurance and E. E. Olinger, general agent British America talked on meeting mutual competition.

### Speakers for the Dinner for Boney Are Announced

McAlister Corson, president of the North Carolina Association of Insurance Agents, will be master of ceremonies at the banquet in Raleigh, N. C., June 6 in honor of Commissioner Boney of that state, who is president of the National Convention of Insurance Commissioners. Col. Walker Taylor of Wilmington, N. C., will be toastmaster.

The speakers will include Julian Price, president of the Jefferson Standard Life; Charles G. Taylor, Jr., third vice-president Metropolitan Life; E. M. Allen, executive vice-president National Surety; E. J. Cole of Fall River, Mass., president National Association of Insurance Agents; Insurance Superintendent Julian of Alabama, W. F. Dunbar, manager Southeastern Underwriters Association.

It is expected that Paul Haid,

president of the Insurance Executives Association, will also be able to attend and speak. Invitations were sent to 1,078 persons.

The Boney dinner ties in with the annual meeting of the North Carolina Association of Insurance Agents, June 7-8.

Manager John D. Saint enumerates some of the subjects that will be up for discussion. They include the drivers' license law, long haul truck insurance, highway accident prevention, activities of mortgage finance concerns, enforcement of foreign brokerage laws, overhead writing, activities of the legislative committee, compensation rates and occupational disease, anti-discriminatory rates for stock and mutual companies, automobile personal injury and property damage rates, foreign finance concern monopoly of insurance business, cooperative local arrangements with automobile dealers, Southern Agents' Conference development with the S. E. U. A., counter signature of policies in localities where risks are located.

### New Rules in Kentucky

The new western rule changes have now been authorized in Kentucky. In addition the hail loading has been removed from the combined hail-tornado coverage. The improved merchandise and fixture form is available and the supplemental contract may be used on practically all classes. However, Kentucky turned down the proposal to offer annual policies at pro rata of the term rate to schools, churches, public buildings, etc.

### Taylor Host to Committee

The executive committee of the Virginia rating bureau held its monthly meeting at the summer home of H. C. Taylor, state agent Home of New York, who is chairman of the committee, with Mr. Taylor as host.

### Would Retain Dallas City Plan

DALLAS, May 22.—Argument on whether insurance on city property should be handled by the Dallas Insurance Agents Association through the local placement board, as has been done for the past four years, or whether the city should select its own agents, was presented at a meeting of the city

council. Eric Gambrell and Alfonso Johnson asked that the arrangement with the agents' association be continued, stating that the plan takes the city insurance out of politics. The commissions on this business are divided equally among 80 members of the association, who write about 85 percent of the business in Dallas, Mr. Johnson said.

C. R. Tucker of I. Reinhardt & Son asked the councilmen to discontinue this practice and choose their own companies.

### Answers Profit Argument

TALLAHASSEE, FLA., May 22.—Opposition to the proposed increase from 2 to 4 percent in premium tax is voiced by Payne H. Midyette, president Florida Local Underwriters Association, in a communication to members. He answers the argument of the proponents of the increase who point to the "large" profits of the fire insurance business. The fire business is based on the law of averages and over a 10-year period, including 1933, figures show that all but 6.48 percent of every fire insurance dollar remained in Florida to pay losses, commissions, special agents and collection services performed by Florida citizens. The 6.48 cents remaining went for home office expense, federal taxes, reserves for cancellations, policy forms, etc., and profits.

### Storm Losses in Kentucky

LOUISVILLE, May 22.—Windstorm losses have been numerous over the spring, with the number occurring in May being above normal, although adjusters and field men report that for the most part they have been small. It was reported from Hazard, Ky., May 13, that a windstorm late the previous night caused \$50,000 damage in Perry county with numerous buildings unroofed. In northern Kentucky around Maysville more than 30 tobacco barns were reported as unroofed, or levelled and many residences damaged in Mason and Fleming counties.

### Arkansas Premiums Lower

LITTLE ROCK, May 22.—The volume of fire insurance business in Arkansas this year seems to be somewhat less than for the same period last year. One explanation seems to be that the Home Owners Loan Corporation last year undertook to pay the three year term premium on properties in which it was interested. Accordingly much new insurance was written on the three year basis and many property owners caused their existing insurance to be canceled and rewritten for three years to take advantage of the HOLC offer. That caused a bulge in 1934, which does not exist this year.

### Oklahoma City Board Changes Name

The name of the Associated Fire & Casualty Underwriters of Oklahoma City has been officially changed to Fire & Casualty Insurance Agents of Oklahoma City.

### Take Kentucky Department Posts

Three new appointments in the fire prevention and rates division of the Kentucky department are announced. Frank Green, Carrollton, becomes attorney for the division. W. A. Moore and A. B. Rainey are added to the field force.

### Oklahoma Towns Rerated

Manager C. T. Ingalls of the Oklahoma Inspection Bureau announces rerating of these towns and cities, with classification unchanged: Ardmore, Bixby, Carter, Cromwell, Delaware, Elk City, Helena, Keystone, Kiefer and Ochelota.

P. W. Boone and Miss Clara Ewalt, Springdale, Ark., have purchased the interest of H. D. Ewalt in the Boone-Ewalt Insurance Agency, and will operate the agency in the future.



# INSURANCE ATTORNEYS

• The Insurance law firms whose professional cards are shown on this and the succeeding pages have been selected after careful investigation. They have the recommendation and endorsement of The National Underwriter.

## ALABAMA

**LAW OFFICES OF  
Coleman, Spain, Stewart  
& Davies**  
706 to 719 Massey Building  
Insurance Attorney  
Birmingham, Alabama

## ARIZONA

**KIBBEY, BENNETT, GUST,  
SMITH & ROSENFELD**  
PHOENIX, ARIZONA  
John L. Gust Fred W. Rosenfeld  
Frank O. Smith H. L. Divilbess  
Ivan Robinette  
GENERAL INSURANCE PRACTICE

**FREDERIC G. NAVE**  
512 Valley National Bldg.  
Tucson, Arizona  
Aetna Group, American Auto., Connecticut  
Indemnity, Fidelity & Casualty, The Massa-  
chusetts Bonding, The Travelers and other  
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General Insurance Practice

## CALIFORNIA

**HAROLD M. CHILD**  
431 Brix Bldg.  
Fresno, Calif.

**Herbert Moore**  
427-8 First National Bank Building  
Long Beach, California  
Equipped for investigations, adjustments,  
settlement of claims and trial of all cases.

**CLOCK, McWHINNEY &  
CLOCK**  
Counsel for many Insurance Companies  
OFFICES  
1812 Citizens Natl. Bank—630 Jergins Trust  
Los Angeles Long Beach

**HOLBROOK, TAYLOR,  
TARR & REED**  
710 Title Insurance Building  
Los Angeles, California  
Equipped for adjustments, investigations, and  
trial of all cases.

**Irving E. Read**  
910—742 S. Hill St.  
Los Angeles, California  
Specializing in Trial Work. Claims referred  
to competent adjusters. Member of Chicago  
Bar from 1912 to 1929.

**Attorneys—Adjusters  
WILLETT & WILLETT**  
620-624 W. M. Garland Bldg.  
Los Angeles, California  
Equipped for immediate attention to claim ad-  
justments and insurance litigations. Thirty  
years experience. Members California State  
Bar.

**F. M. OSTRANDER**  
Bank of America Building  
Merced, California

## CALIFORNIA (Cont.)

**Dunn, White & Aiken**  
Sixth Floor, Syndicate Bldg.  
Oakland, California

**ERROL C. GILKEY**  
1203-1207 Central Bank Bldg.  
Oakland, California  
Equipped for adjustment, investigation and  
settlement of insurance cases, also trial  
of cases.

**BUTLER, VAN DYKE  
& HARRIS**  
664 Capital National Bank Bldg.  
Sacramento, Calif.

**STICKNEY & STICKNEY**  
1111 First National Bank Building  
San Diego, California  
Equipped for adjustments, investigations and  
trial of all cases.

**W. N. MULLEN**  
155 Sansome St.  
San Francisco, California  
Home Office General Claims Attorney  
Ten Years.

**C. Douglas Smith**  
I. O. F. Building  
Santa Maria, California  
Trial of cases and complete claims service in  
Santa Barbara and San Luis Obispo Counties

**STEPHEN N. BLEWETT**  
919-24 Bank of America Bldg.  
Stockton, Calif.

## COLORADO

**Smith, Brock, Akolt & Campbell**  
13th Floor Telephone Bldg.  
Denver, Colorado

**Gabriel, Mills & Mills**  
524-9 Kittredge Bldg.  
Denver, Colorado

## DELAWARE

**WILLIAM PRICKETT**  
812 Delaware Trust Building  
Wilmington, Delaware  
Investigations, Adjustments and Trial  
of All Cases  
(Employers' Group, Liberty Mutual, Hardware Mu-  
tual, Massachusetts Bonding & Insurance, Factory  
Mutual, St. Paul Mercury, Zurich, etc.)

## GEORGIA

**BRYAN, MIDDLEBROOKS &  
CARTER**  
LAW OFFICES  
Suite 1030 Candler Building  
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## PACIFIC COAST AND MOUNTAIN

### Arrangements Now Changed

**Washington Insurance League Will Hold  
Its Annual Meeting at Belling-  
ham in August**

The Washington Insurance League, which had scheduled its annual meeting at Bellingham for July 11-12, decided to postpone the gathering until August because the Insurance Commissioners Convention meets in Seattle the same week. Many of the agents desire to be in Seattle at that time. Secretary W. H. Bennett of the National Association of Insurance Agents, however, had consented to go to Bellingham and give a talk. It has now been decided to have a luncheon at Seattle at noon, July 12, both the Washington Insurance Agents League and the King County Association of Insurance Agents sponsoring it.

### Adjustment Bureau to Open Portland Casualty Section

SAN FRANCISCO, May 22.—Establishment of casualty claims service section in the Portland, Ore., branch office of the Fire Companies Adjustment Bureau June 1 is announced by Harry J. Boyle, general manager of the Pacific department.

The new department, which is in line with the recently announced plan of expanding the bureau's service to include miscellaneous and casualty lines, will be under the direction of R. F. Owen, well known independent casualty adjuster who will combine his own business with that of the bureau. J. C. Coryell, assistant to Mr. Owen in his adjustment work, will continue in the same capacity under the new arrangement.

Mr. Owen's activities will cover all of Oregon and southern Washington. He joined Frank Allyn, Inc., in 1925 and in 1927 was appointed manager at Portland. In 1932 he bought the business of the branch and has since been operating independently.

All 25 branches of the Pacific Coast department are now rendering claims service for automobile, aircraft, windstorm, all-risks, cargo and inland marine losses. Mr. Boyle says that since adoption of the program of complete claims service, the business of the bureau has greatly increased.

### May Change Name

OGDEN, UTAH, May 22.—The Utah Association of Insurance Agents may have a new name in the near future. President Robert L. Salmon says the time has come to give the organization a title that will indicate to the public some idea of the class of insurance its members write, which is mainly fire. The life men and the surety and casualty men have organizations of their own, each with an appropriate name, he points out, and he wants the fire men to follow their lead. The Ogden association has changed its name to the Fire & Casualty Insurers of Ogden.

### Many Lines Endangered

DENVER, May 22.—When the Casanova night club of the Brown Palace hotel here was totally destroyed, because of the rotunda in the hotel, a huge well running the full height of the building, hundreds of guests were trapped in their rooms.

About 400 were able to flee before the smoke became too dense, and later some were taken from their rooms by way of extension ladders. Firemen stretched life nets but none of the guests leaped.

The building is of old-type fireproof construction. No one was injured, but fire department officials point out that if

the fire had occurred at night, many guests who were trapped would have undoubtedly leaped to their deaths from windows that could not be reached by ladders. There are no exterior fire escapes and the construction of a system as a safeguard against similar occurrences would require an escape from each of the several hundred rooms. An alternative precaution would entail glassing-in the rotunda around each balcony. Skylights on the roof were opened to allow the smoke to flow out, but this proved ineffective.

The actual damage by fire is estimated at \$10,000, but it is expected that the total damage will be about \$30,000.

Defective wiring was the cause of the blaze. There had been a penalty made on the fire insurance rate because of this defective wiring.

### Parrish Heads Committee

SAN FRANCISCO, May 22.—Edwin Parrish, vice-president of the America Fore group, who returned from retirement to active business life last fall following resignation of A. L. Merritt, has been elected chairman of the executive committee of the Pacific Board. Mr. Parrish brings to his office the experience of many years of service in Pacific Board activities, having during his career been chairman of the executive committee for two previous terms. He also served one term as president, as well as being chairman and a member of numerous other important committees.

### Melick Heads Phoenix Society

SAN FRANCISCO, May 22.—Herbert Melick, special agent America Fore group, has been elected "Ra" of the Phoenix Society of San Francisco. He succeeds T. H. Larke, Jr., prominent broker, who has held the office since organization. M. Northup, Great American and Phoenix, was named Pharoah and Roy M. Coon, manager sprinklered risk department Pacific Board, recorder. Patriarchs are Ed Harrison, Edward Brown & Sons, and Vincent Meherin, broker.

### Fire Department Radios

DENVER, May 22.—Seven fire stations have been equipped with short-wave radios in an effort to test the practicability of complete radio equipment for the fire department. For a time, the radios will be used only in case of emergencies and for test purposes; and if the idea proves practical, there is a possibility that all fire apparatus will be equipped with short-wave radios. Deputy and district chief's automobiles are now radio-equipped, and it is pointed out that radios on all fire equipment would mean instant communication between the fire operator and firemen.

### New Code Is Signed

DENVER, May 22.—Denver's new building code, which provides for more modern types of construction than called for in the old code and which is expected to reduce building costs materially, has been signed by the mayor. The drafting of the code was particularly difficult since two factions were fighting over the provision as to where "brick veneer" dwellings could be constructed. It was finally decided that "veneers" could be built only in frame districts and not in brick restricted zones.

### Wickler Heads Arizona Group

J. C. Wickler, assistant manager Great American and Phoenix of Hartford, has been reelected chairman of the Arizona Advisory Committee with C. V. McCarthy, America Fore, continuing as vice-chairman. Mr. Wickler was reelected a member of the commit-

tee at the annual meeting earlier this month as was A. J. Chapman of Chapman & Co. New members elected were C. L. Barsotti, assistant manager Fire Association, and R. L. Countryman, manager Norwich Union, replacing Clarence Allan and H. W. Fores, whose terms had also expired. Other members of the committee are G. E. Townsend, Fireman's Fund, and W. F. Fotheringham, Aetna Fire.

### Kremer in Los Angeles

After spending two weeks in and around San Francisco in conference with McClure Kelly and J. P. Breeden, Pacific Coast managers, John Kremer, vice-president of the North America, and Mrs. Kremer are now in Los Angeles for a few days, after which they will return to Philadelphia. This is Mr. Kremer's first visit to the Pacific Coast since 1923.

### California Regional Meetings

Plans for a series of regional meetings throughout the state are now being completed by the California Association of Insurance Agents. Meetings for the northern section will probably start at Fresno June 3 and close at Watsonville June 7. Frank Colridge, executive secretary, will speak at all these meetings. The principal speaker at the meetings in the northern section will be W. P. Welsh, Pasadena, vice-president. E. R. Pickett, Sacramento, president of the association, will speak at the meetings in the southern portion of the state later in the month.

Plans for the annual convention of



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the association in San Diego, Oct. 30-Nov. 1, will be discussed. President Pickett and Secretary Colridge have just returned from an extended trip through the northern section of the state, visiting a number of the larger centers.

#### Rates Cut in Phoenix

A 5 percent reduction in fire insurance rates has been made in Phoenix, Ariz., retroactive to Feb. 1. The reduction was made on account of the improvement in the fire department.

#### Plan Luncheon for Bennett

SAN FRANCISCO, May 22.—Plans are now being formulated by the San Francisco Insurance Brokers Exchange, under direction of Stephen Malatesta, for a luncheon July 22 in honor of W. H. Bennett, secretary National Association of Insurance Agents, who expects to visit San Francisco following the meeting of the insurance commissioners in Seattle.

#### Honor Carpenter in Oakland

OAKLAND, CAL., May 22.—Commissioner S. L. Carpenter, Jr., was guest of honor at a luncheon here Monday, tendered by the East Bay Association of Insurance Agents. Present, in addition to members of the association, were representatives of the various local boards in the surrounding territory, together with E. R. Pickett, president California Association of Insurance Agents, and Frank Colridge, executive secretary.

#### All State Property Uninsured

SALEM, ORE., May 22.—It is now found that the state of Oregon carries no insurance on its more than \$21,000,000 value in buildings, equipment and supplies.

The 1925 legislature created what is known as a "restoration fund," to which every state activity contributes in proportion to the appraised value of its property. Losses kept the fund well under the \$300,000 mark. Insurance premiums on this total property value would not be in excess of \$70,000 per year, Commissioner Earle believes. The next legislature will be asked to authorize placing \$21,000,000 of insurance.

#### Portland Veteran Dies

Charles A. McCarger, 72, veteran Portland, Ore., general agent, died there Monday. In the late 90s he was named general agent in Oregon and western Washington of the Aetna Life. He formed a partnership with Paul C. Bates, the firm later being known as McCarger, Bates & Lively. He retired from the firm in 1909 and for the past few years had operated an independent agency.

#### Heads Vancouver Institute

J. E. Rose, London & Lancashire, has been elected president of the Insurance Institute of Vancouver, B. C. Other officers are as follows: Vice-president, F. B. Lewis, Canadian Surety; secretary-treasurer, George L. Schetky; council: Douglas Macdonald; Heber Brown, Canadian General; H. J. Reed of Parson, Brown & Winckler; F. W. Kendrick; W. R. Bryden, Union of Canton; Mark Neville, Eagle Star, and H. G. M. Wilson.

#### Tell Attitude of Candidates

DENVER, May 22.—Reports from three different joint committees on the attitudes of major candidates for mayor concerning a proposed plan for equal distribution of municipal insurance, together with a lively discussion on the agent's qualification law which will be introduced into the next regular session of the legislature, were the features of the monthly meeting of the Denver Association of Insurance Agents. The committees selected to interview the candidates were made up of members of the association and the Mountain Field Club.

It was decided that no candidate

should be endorsed. To a certain degree, all candidates showed interest in the plan.

Frederic Williams, secretary Rocky Mountain Fire Underwriters, discussed the agent's qualification question. He voiced confidence many companies would cooperate in drafting a new qualification bill. At the last session the association sponsored the bill but it died in committee.

A discussion was held on the proposed amendment that would provide a 2 percent gross receipts tax for the establishment of old age pensions.

#### Dearborn With General Agency

Mark D. Dearborn of Spokane has been appointed special agent for the Washington General Agency. For the past year he has been special agent of the United Pacific Casualty and its subsidiary, the United General Agency. He will cover eastern Washington, Idaho and Montana.

#### Wins Basketball Title

The basketball team representing the Fireman's Fund has won the championship of Class A in the San Francisco Commercial League, winning every game on its way to the finals.

E. W. Ewart, one of the two brothers who operated the Ewart Agency at Roseburg, Ore., died at his home there. The agency is one of the oldest in the state.

### Eastern States Activities

#### New Maryland Commissioner Plans No Radical Changes

BALTIMORE, May 22.—"I have planned no definite or radical changes," declared W. S. Hanna, after being sworn in as insurance commissioner. "I am not familiar at all with the setup and I will rely largely on Mr. Joyce to guide me."

H. A. Joyce, Jr., has served as deputy commissioner for eight years and has been connected with the office since 1910.

"The greatest joy I have experienced in this appointment," Mr. Hanna added, "was the manner in which I was so generally indorsed. I intend to make this a full-time job, devoting every minute to the office. During the eighteen years that I served as deputy comptroller of Baltimore city I never took a vacation of two weeks at any one time and I expect to continue that practice."

#### Clipfel Opens Own Office

C. William Clipfel, who was associated with the local agency of Silas Chapman & Co. of Hartford, from November, 1931, until February of this year, has opened his own office at 49 Pearl street, Hartford, as insurance adviser and agent.

#### Agency Sale at Gouverneur, N. Y.

W. L. Howard has bought the insurance agency of C. I. Bockus of Gouverneur, N. Y. It is understood that Mr. Bockus will continue to be associated with the office as solicitor. Mr. Howard started in the insurance business in 1931 as an associate with B. F. Brown. In July of that year he opened his own agency. He purchased the Earl Riley agency Feb. 1 of this year.

#### Mrs. Bruns Heads Agency

Mrs. F. V. Bruns has been elected president of the Bruns Company agency of Syracuse, N. Y., to take the place left vacant by the recent death of her husband. A. C. Deisseroth has been elected vice-president and general manager. Miss Mary Elizabeth Kelly continues as secretary and John Bruns, son

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POLICY-HOLDERS' SURPLUS \$10,259,088.22

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**65 YEARS OF ACHIEVEMENT**

of Mrs. Bruns, will join the office upon graduation from Hamilton college this year.

Mr. Deisseroth was a special representative of the Fireman's Fund Indemnity for a time. For the last three years he has conducted his own agency. He is a former secretary of the Syracuse Underwriters Association and former chairman of the membership committee of the New York State Association of Local Agents.

#### R. G. Hinkley on Program

Among the speakers at the annual meeting of the New England Associa-

tion of Insurance Agents, July 10, will be R. G. Hinkley, manager of the New England department of the American of Newark, whose topic will be "Agency-Company Relations."

#### Hall Heads Protective Association

At the annual meeting of the Underwriters' Protective Association of Newark, which controls the salvage corps, W. A. Hall, Jr., was again reelected president, with C. Weston Bailey, American of Newark, as vice-president. Neal Bassett was succeeded as vice-president by John R. Cooney, president Firemen's of Newark. All directors

were reelected except Arthur Schumm, who was succeeded by F. W. Fort.

#### Chief Investigator Resigns

H. E. Ritter, chief investigator for the Pennsylvania insurance department since 1926, has resigned. He has been connected with the department for 21 years.

The **Alfred C. Sinn Agency**, Clifton, N. J., has been incorporated by A. C. Sinn, Mildred Sinn and Edna Inwood. Mr. Sinn is president of the Passaic County Association of Insurance Agents.

### MARINE NEWS

#### Assured Must Disclose All Facts Material to a Risk

SAN FRANCISCO, May 22.—Interpreting several sections of the California civil code and definitely bringing California law into line with the universal rule that an applicant for marine insurance must disclose to the insurer any and all facts "material to the risk," a decision of importance to marine underwriters has just been rendered by the first appellate district court of northern California, Division 2. The decision, which was on a suit involving engines on a barge, also recognizes and affirms the rule that a broker employed by the assured to secure insurance is the agent of the assured and that disclosure of material facts by the assured to his broker is not a compliance with the law unless the broker, in turn, discloses the facts to the insurance companies.

The suit was brought against eight British insurance companies and was successfully defended by Carroll Single and Stanley J. Cook. It appeared that prior to securing extended insurance, the engines were in very bad condition, having been submerged in salt water for some time. Later while en route to San Francisco from San Quentin, Mexico, the barge took fire, with loss of the engines. The companies' defense was based on the non-disclosure of the true condition of the engines. The decision reversed the superior court of San Francisco.

#### Douglas Sails for England

NEW YORK, May 22.—T. S. Douglas, president of the Council of Marine Underwriters of the Commonwealth of Australia, spent a few days in New York prior to sailing for England. Mr. Douglas is one of the most prominent insurance men in Australia, being vice

chairman of the Sydney Marine Underwriters & Salvage Association as well as Australian general manager of the Indemnity Marine Assurance and the representative of insurance companies on the Board of Fire Commissioners of New South Wales. He was accompanied by Mrs. Douglas and their two children.

#### J. A. Brennan Has Resigned

J. A. Brennan has resigned as state agent of the Appleton & Cox companies of New York in Ohio. For some years he was connected with the Appleton & Cox organization in Chicago and Ohio.

#### Keegan Returns to Office

J. C. Keegan, marine vice-president of the Providence Washington, who is president of the Inland Marine Underwriters Association, has returned to his office after spending some time in Arizona for his health. On his way back he stopped at Chicago to visit with the representatives of his company there.

#### Insures Famous Jonker Diamond

NEW YORK, May 22.—The famous uncut Jonker diamond, which has just been purchased in London by Harry Winston, a well-known New York dealer in jewels, has been insured for its approximate value of \$750,000 by the St. Paul Fire & Marine through Charles Weingartner & Co., New York brokers. As it now is, the stone weighs 726 carats and will be the second largest diamond in the world after it has been cut. Unlike the Hope diamond, famed for the misfortune said to follow it, the Jonker stone bears with it the legend of good luck. It is being brought to this country and will be on view for inspection by various dealers.

#### Loss on S. S. "Denali"

NEW YORK, May 22.—Insurance companies suffered a severe loss in the sinking of the S. S. "Denali" of the Alaska Steamship Company May 19. The ship itself was valued at about \$125,000. Value of the cargo, which consisted of 100 tons of dynamite, cannery supplies, some coal and machinery, is unknown. The "Denali," which was bound for Alaska, grounded and broke in two off Zayas Island, B. C. All those aboard were rescued by a coast guard cutter but the ship sank almost immediately. It had been on the run to Alaska for about eight years.

**Jack Siegel** has purchased the insurance business of Dr. C. E. Goodell, Danbury, Conn., who is retiring. Mr. Siegel has operated his own agency for the past two years.

### List of Truck Hijackings

NEW YORK, May 22.—Another list of truck hijackings which have occurred in the last few weeks has been reported to the Babaco Alarm System with approximate amount of loss incurred. The total sum amounts to \$346,322. The list:

A. W. Berg, \$3,000, Chicago, surgical goods.  
Litza Bros., \$1,571, Chicago, liquor.  
Garofalo Bros., \$4,000, Chicago, olive oil.  
Pennoyer Cartage, \$1,200, Chicago, liquor.  
Drumney Cartage, \$2,000, Chicago, liquor.  
Walgreen, \$2,000, Chicago, drugs.  
Walgreen, \$2,400, Chicago, drugs.  
Midwest Knit Goods, \$350, Chicago, knit goods.  
Gr. Central Trans., \$4,500, Chicago, gum and miscellaneous.  
Ziffirin Motor Lines, \$7,500, Chicago, liquor.  
Zolla Bros., Inc., \$4,000, Chicago, cigarettes.  
Ziffirin Motor, \$8,000, Chicago, liquor.  
Gold Seal Distill., \$1,000, Chicago, liquor.  
Transamerican Frgt., \$15,000, Indiana, liquor.  
U. S. Transp. Co., \$4,200, Pittsburgh, eggs.  
Amco Carrier, \$350, Paterson, unfinished silk.

Bruce & Warner, \$10,000, Boston, leather, shoes.  
Berkshire Motor Exp., \$10,000, Greensburgh, woollens.  
Gregg Car Loading, \$13,500, Cleveland, wool.  
Horstman Trucking, \$1,800, Long Is., Amer. Chicle gum.  
Truck hold-up, \$15,000, Buffalo, dairy products.  
L. Davis, \$75,000, New York, furs.  
J. J. Cooney, \$500, N. Y. C., cotton bandages.  
P. K. Motor Service, \$5,000, Newark, silk.  
Nielsen & Petersen, \$2,251, Newark, liquor.  
Bayuk Cigar, Newark, cigars.  
Perlman Cartage, \$700, Detroit, cigars.  
Cooper & Jarett, \$10,000, Tarrytown, eggs, poultry.  
Union Transfer, \$8,000, Omaha, liquor.  
Midwest Haulers, \$1,500, Cincinnati, cigarettes.  
A. Towle & Co., \$10,000, Stratford, shoes.  
Hamilton Motor, \$7,500, Brooklyn, cigarettes.  
Simpson Motor, \$10,000, Mt. Pleasant, liquor, drugs.  
Perkiomen Trans., \$14,000, Hereford, Pa., silk.  
U. S. Mail, \$72,000, Warren, O., reg. mail.  
Levy Bros., \$1,500, Milwaukee, prod. vegt.  
Akron-Times Press, \$2,000, Akron, payroll.  
Woburn Degreasing Co., \$15,000, Kearney, N. J., pat. leather.

# 1794 1935

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Reserve for Unearned Premiums . . . . .	\$1,658,641.67
Reserve for Losses Under Adjustment . . . . .	222,651.91
Reserve for Taxes and all other Claims . . . . .	152,295.71
CASH CAPITAL . . . . .	1,000,000.00
NET SURPLUS . . . . .	1,164,346.10

TOTAL ASSETS . . . . .	\$4,197,935.39
SURPLUS TO POLICYHOLDERS	\$2,164,346.10

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# The National Underwriter

May 23, 1935

CASUALTY AND SURETY SECTION

Page Thirty-one

## Mortensen Talks to Casualty Men

Wisconsin Commissioner Gives Views on Various Phases of Business in Milwaukee Talk

### RAPS OUTSIDERS' INROADS

Opposes Cut in Compensation Commissions, Favors Standard Automobile Liability Policy

MILWAUKEE, May 22.—Commissioner Mortensen told more than 150 members of the Milwaukee Board of Casualty & Surety Underwriters at its annual meeting that Wisconsin insurance business belongs to Wisconsin agents and the department is making a relentless fight to keep such business in the state. He opposed commission reductions, advocated a standard automobile policy and urged a general housecleaning, through cooperative effort by insurance organizations.

Preceding the commissioner's talk, Fred J. Lewis, president of the board, in his annual report said that if the agency and production end of the casualty and surety business had been properly organized 20 years ago, "there would not now be in our territory over 1,000 unqualified part-timers mishandling the insurance interests of the buyer." He expressed satisfaction with the results obtained since the board was organized two years ago. In that time more than 400 part-time agents have been dropped and not relicensed. "If they took from the business only \$100 each in annual commissions," he said, "there has been restored to legitimate agents over \$80,000 of income."

### Gives Figures on Licenses

Referring to this matter of fewer agents now licensed in Wisconsin, Commissioner Mortensen said that in 1930 65,000 licenses were issued, 32,000 fire, 25,000 casualty and 8,000 life, to 29,000 agents, 11,000 writing fire, 13,840 casualty and 5,000 life. As of May 1, 1935, the department records show 49,923 licenses issued to 23,371 agents, including 9,252 fire, 8,542 casualty and 5,597 life. There are actually 15,026 individual agents writing the various lines of insurance in Wisconsin, he said.

It is to the common interest that agents be paid in accordance with the service rendered clients, Mr. Mortensen said. The lesson of the lean years has taught men to work together, to give concern to the right of others to live and to get their share of business.

Mr. Mortensen discussed especially compensation, public liability and surety and fidelity.

"Wisconsin was the first state in the nation to adopt compensation laws," he said. "Workmen's compensation gradually stepped up from a low wage basis and presented new problems in rates

(CONTINUED ON PAGE 38)

## Vetoes N. Y. Bill Providing for Benefits for Silicosis

INSURERS, INDUSTRY PLEASSED

Measure Would Have Made Employers and Insurance Companies Responsible for Great Accrued Liability

Governor Lehman of New York has vetoed the measure providing special compensation for silicosis. Great pressure had been exerted upon him to induce him to take this course.

In a memorandum accompanying the veto, he said that the bill was originally sponsored by industry and insurance, but after further consideration, they turned against it.

Governor Lehman pointed out that employees will, nevertheless, be entitled to benefits on account of silicosis or other dust diseases under another bill, which has been signed, that brings all occupational diseases within the compensation law.

The great objection to the special silicosis bill was that it provided for accrued liability. The insurance companies were prepared to demand a deposit premium of \$500 per capita in a moderately hazardous classification if the silicosis bill should have been signed. The premium would have been subject to adjustment after physical examination of workers to as much as \$8,750 per capita, or as low as \$154 for those found to be in good health.

At first the insurance companies and industrialists favored the measure on the theory it would provide a definite regulation of one of the worst of occupational diseases. Later, however, they realized there would be a tremendous financial burden suddenly thrown upon them.

There is still the law operative as of Sept. 1, which not only extends liability for dust diseases, but for those incident to occupations of every kind. It is all-inclusive.

So drastic are its terms and so heavily is the cost of indemnity to be supplied thereunder likely to prove to employers that there is talk of seeking modification at a special legislative session if Governor Lehman concludes to call one in the next three months.

Meanwhile, casualty people have been busy preparing a schedule of rates for the assumption of the hazard, and these tariffs, it is reported, may be looked for within the next two weeks. The rates will be experimental until reliable loss experience has been accumulated.

Considerable data as to silicosis and other dust diseases have been assembled and analyzed and other data will be added as fast as their value can be determined.

### NEW LAWS REVIEWED

NEW YORK, May 22.—One of Gov. Lehman's last acts before the expiration last week of the 30-day period since the adjournment of the 1935 legislature was the vetoing of the bill, urgently desired by casualty companies, which would have amended the law providing for a workmen's compensation insolvent car-

## Contract Standardization Trend Is Noted in Casualty

AUTO IS MOST RECENT STEP

Example Was Set by the Accident & Health People Who Agreed Upon Uniform Clauses

NEW YORK, May 22.—The trend in casualty today is toward contract standardization, at least in so far as essential conditions are concerned. The folly of individual companies issuing policies with varying conditions, some capable of various interpretations, has been brought home to company officials.

Nearly two years ago many accident and health companies agreed on uniform policy clauses and limitation of contract forms thereby simplifying the difficulties of agents and effecting material saving in companies' printing costs.

So many forms of contracts had been issued by competing companies that agents found trouble in keeping pace with them, while many metropolitan brokers refused to attempt a study of this multitude of differing contracts. The net result was that volume of new accident and health business written was much less than it should have been and would have been under more stable conditions.

### Auto Contracts Standardized

The example set by the accident men now has been followed in the automobile liability field, standard policy provisions having been adopted by both stock and non-stock carriers. In preparing uniform conditions, clauses are used that have stood the test of court actions, and their real meaning defined. In fire insurance, standard forms have been the rule for many years.

Having recently liberalized residence policies with a view to popularizing the indemnity, burglary underwriters now are studying mercantile stock forms, figuring that the rate classification adopted years ago greatly needs revision. The American Bankers Association forms of contracts were standardized long since, committees of underwriters meeting jointly with representatives of the bankers organization and finally agreeing upon policies acceptable to both and in keeping with court decisions.

riers' fund so that New York state claimants would not have a prior claim over other state claimants in case a compensation-writing company should fail.

Several states, to protect their own claimants against such a contingency, have already passed laws providing for guaranty funds to be set up in their own states and it is feared that states generally would follow suit unless the law is clearly amended so that New York claimants have no preference. It is believed that the law as it stands eliminates such preference in all but a few types of cases, but the proposed amendment, vetoed by the governor, would have eliminated all cases and removed any need for other states to resort to self-protective measures.

Another desired change, embodied in

(CONTINUED ON PAGE 38)

## Assigned Risk Pool Is Formed

Twenty-Five Companies in the Bureau Constitute the Membership

J. M. HAINES IS CHAIRMAN

Purpose of the Syndicate Is to Protect Companies from the Extraordinary Hazards

NEW YORK, May 22.—Organization of the assigned risk pool by 25 members of the National Bureau of Casualty & Surety Underwriters transacting 85 percent of the compensation business written by bureau members has been completed, it was announced by the board of governors of the pool. J. M. Haines, general attorney London Guarantee and Phoenix of London group, is chairman, and William Leslie, associate general manager National Bureau, vice chairman.

### Membership Is Restricted

Although membership is restricted to member stock companies of the bureau, the pool is not a bureau enterprise. Management and control will be under the direction of a board of seven governors, including: Aetna Casualty, Continental Casualty, Fidelity & Casualty, London Guarantee, Maryland Casualty, Travelers and U. S. F. & G.

According to its articles of agreement, the pool was established to protect members from the extraordinary hazards involved in carrying compensation risks assigned them by state authorities under provisions of voluntary plans for the assignment of otherwise uninsurable risks. Hereafter any such risks assigned to and accepted by members of the pool will be reinsured among member companies.

### For Protection of Members

Officers of the pool will try to arrange with the administrators of all voluntary plans coming within the scope of the articles of agreement to assign risks intended for members through the pool as representative. A carrier qualifying by its organization and servicing facilities in the territory where the risk is situated, will be selected by the pool and instructed to issue a policy and service the risk. For this the carrier will receive a percentage of the premium, the remainder being deposited with the pool.

### White Sulphur Convention Date

NEW YORK, May 22.—The dates for the annual meeting of the International Association of Casualty & Surety Underwriters and National Association of Casualty & Surety Agents at White Sulphur Springs, W. Va., are set for Oct. 8-10.

## Curley Will Ask Changes in Massachusetts Auto Law

### REDUCE COVER, LOWER COSTS

"Feeler" Put Out on Special Message  
by Governor to Legislature But  
Reaction Is Uncertain

BOSTON, May 22.—It is understood that Governor Curley will submit to the Massachusetts legislature a bill proposing changes in the compulsory automobile liability law, the general effect of which would be to reduce the extent of coverage and lower rates.

Widely advertised plans of the governor and the new commissioner of insurance for a radical revision of the compulsory automobile liability insurance act, launched at a hearing at the state house, were followed by several semi-official stories of what was to follow immediately.

The general demand for a flat rate for the state, made by a number of speakers at the hearing, was apparently given serious consideration by the commissioner. A little investigation on his part, however, soon discouraged that plan. While expressing sympathy with the idea, he frankly states that while he might promulgate such a rate, and probably has the authority so to do under the act, he is of the decided opinion that the courts would find such an act unconstitutional, involving the issue of taking property without due process of law. A flat rate of \$30 for Boston, for instance, where the loss cost is nearer \$50, would hardly stand the test of the courts, the commissioner feels.

#### Special Message Predicted

A few days ago Boston papers carried an item that the governor would send a special message to the legislature asking for certain revisions in the law. The publicity was apparently a preliminary "feeler" to see what the reaction would be.

It was stated the governor, in the proposed message, would ask the legislature to have guest claims eliminated from the law, as a means of reducing rates. This would prohibit the payment of damages for injuries to the members of the family or to guests of the insured. Another proposal was to limit the amount of the coverage under the compulsory law.

It was also presumed the governor would ask for the incorporation of the financial responsibility principle as a part of the compulsory law.

#### Proposals Already Turned Down

While governors in the past have been given freedom in asking for legislation through the use of special messages and it is entirely possible that the courtesy might be extended to Governor Curley, there are some serious objections in the present case.

It is being pointed out that all the proposals suggested have come up before the present session in the form of regular bills proposed by legislators and that in every case such propositions have been flatly turned down, as they have by every legislature the past few years.

Such a situation involves subjecting such proposals by the governor, even in a special message, to a point of order, whatever the chief executive may feel about his influence with the legislature.

#### To Celebrate 50th Anniversary

The North American Accident is making preparations for a rather elaborate celebration of its 50th anniversary next year. A contest running from July, 1935, to July, 1936, will be conducted as a basis for the qualification of agents to attend the 50th anniversary convention in Chicago next year.

## Zurich's New Management



NEVILLE PILLING  
New Manager of Zurich



HARRY H. FULLER  
Deputy U. S. Manager

The Zurich General Accident at its United States office in Chicago will have at the helm two young men who have won their positions by merit when United States Manager A. W. Collins retires July 1. Neville Pilling, who is to become the United States manager, has been connected with the company for a number of years in important capacities. Harry H. Fuller, deputy United States manager, is assistant manager in charge of agency and production work. He is a Zurich man from head to foot.

### Reid Expresses Optimism at West Coast Conference

SAN FRANCISCO, May 22.—Expressing a definitely hopeful outlook for casualty insurance and stressing the importance of continued efforts in business production, with a frank discussion of the problems today confronting casualty and surety lines, A. Duncan Reid, president Globe Indemnity, was the featured speaker at a one-day sales conference of the northern California staff of the company, agents and brokers in San Francisco, with more than 150 in attendance. W. H. Galentine, general attorney at the home office, and H. J. McCloskey of the production department who accompanied Mr. Reid to the Pacific Coast, also spoke.

#### Various Lines Discussed

Mr. Galentine served as chairman, explaining the general theme of the conference and later speaking at length on the company's financial growth and present status. Mr. McCloskey discussed burglary and robbery lines, explaining their sales possibilities. R. H. Parker, manager of the Oakland office, talked on accident and health, and Stuart Pettigrew, superintendent mechanical department, on boiler and machinery lines.

In the afternoon A. D. Mennie, superintendent Pacific Coast bonding department, spoke on fidelity insurance; E. W. Robinson, superintendent casualty department, on automobile insurance, and W. J. Rankin, superintendent claim department at the Pacific Coast department office, on claims.

The home office officials were introduced by Vice-president L. R. Swezey of San Francisco.

#### To Liquidate Crown Indemnity

LOS ANGELES, May 22.—The Crown Indemnity Association, automobile reciprocal of Los Angeles, was placed definitely in receivership at a hearing before Superior Judge Wilson. The reciprocal was placed in the custody of the California department, ordered to discontinue writing business, and all policies were declared cancelled. It is understood the department will now proceed to liquidate its outstanding obligations and claims.

### American Auto's Pittsburgh Branch Entertains Agents

Manager Jet Parker of the Pittsburgh branch office of the American Automobile was host to more than 80 of the company's western Pennsylvania representatives in opening the company's recently enlarged Pittsburgh offices, now occupying an entire wing of the 15th floor of the Investment building.

A program of testimonial production had been under way for several weeks prior to the meeting and, as a surprise to Manager Parker, he was presented a large number of new applications representing a special tribute from more than 100 individual agencies.

With Mr. Parker and his regular staff to welcome the visitors at the new office were Otto Patterson, vice-president, and Carlton Hines, agency supervisor, both from St. Louis, and G. W. Talkes, resident vice-president from the Cleveland branch office. At a luncheon brief talks were made by Messrs. Parker, Patterson, Hines, Talkes and State Senator S. R. Cohill of Maryland. The agents were taken in the afternoon to Forbes Field for the Pittsburgh-Brooklyn baseball game.

Branch Manager Parker has been prominent in Pittsburgh insurance circles for many years and before opening the company's Pittsburgh office in June, 1933, was associated with one of Pittsburgh's largest general agencies.

#### Two Zurich Men Killed

Bruce K. Blood, assistant statistician at the head office of the Zurich in Chicago, and Earl Whalen, in charge of the tabulating department, were killed early Wednesday morning when the car that they were driving struck a pillar of a railroad viaduct on the south side of Chicago. Mr. Blood was 47 years of age and had been connected with the Zurich 20 years. Mr. Whalen was 32 years of age and had been in the employ of the Zurich since 1921.

The National Casualty & Insurance Co. of Dallas has gone into voluntary receivership, D. W. Burchfield being appointed receiver.

The Guarantee of North America, Montreal, has declared an extra dividend of \$2.50 per share on its \$50 par value common stock, payable July 15.

### Court Hits at Guest Case Racket in Auto Accidents

#### SAYS 90 PERCENT ARE RATTY

Chicago Judge Declares Policies Should  
Not Cover Liability for Injuries  
to Unpaid Passengers

Guest case evils in automobile accidents so worked upon Judge Joseph B. David of the superior court in Chicago that in a case before him he broke in on the plaintiff's evidence and directed a verdict for the defendant. Later he realized the irregularity of his act and granted a new trial, but insisted on making a statement for the record giving his views. He said, for the record:

"I have not changed my opinion that cases of this character are ratty cases, and that 90 percent of them are of that character, and if there had not been an insurance company involved you never would have heard of the case. The case furnishes opportunity for conspiracy, of which the court believes there is evidence in this case, a conspiracy to mulct the insurance company.

#### Bar Claims from Guests

"Parenthetically I would say, representing, as you do, the insurance company, the insurance companies ought not to issue policies of this kind to insure them, specifically ought to refuse to write a policy that where an unpaid guest, a voluntary guest in an automobile, was injured through the act, whether it is wilful, wanton or malicious on the part of the driver or owner of the automobile, that there should be no liability so far as the insurance company is concerned, because it furnishes too much opportunity for conspiracies between the injured party, particularly where they are related, and the owner or driver of the automobile.

"In this case there was not the slightest evidence, in the judgment of the court, of wilful or wanton negligence, if any negligence."

The case was defended by the Sun Indemnity through Charles F. White, of the law firm of Miller, Gorham Wales & Adams.

#### Boiler Men Meet

The National Board of Boiler & Pressure Vessel Inspectors held its annual meeting in Chicago. Among the interesting features was an exhibit by the insurance companies of examples of defective conditions which have produced serious accidents, along with the methods used by insurance companies to detect development of these conditions and to correct them before accidents occur. Samples of ruptured tubes and tanks due to various causes were shown. Several insurance men were on the program, including J. P. H. De Windt, manager boiler and machinery department National Bureau of Casualty & Surety Underwriters; E. R. Fish, chief engineer, W. D. Halsey and J. P. Morrison, assistant chief engineer of the Hartford Steam Boiler's boiler division; D. L. Royer, chief engineer Ocean Accident, and D. B. Weststrom, Travelers Indemnity engineer.

#### Speedway People Insured

A. F. Shaw & Co. of Chicago, well known local agents, who are correspondents for London Lloyds, issued a blanket accident policy to the Indianapolis Motor Speedway Corporation under whose auspices the Decoration Day 500-mile automobile race is run. It covers all the drivers and mechanics, the limit being \$1,000 on each person. The policy extended over the trial and training period as well as the race itself. Therefore it will pay \$3,000 owing to the deaths of W. H. Stubblefield, Los Angeles pilot, L. Whittaker, his mechanic, and John Hannon, another pilot, all of whom were killed Tuesday in training for the race.



## Agent Must Guard Against Overinsuring His Client

A. J. MOUNTREY GIVES ADVICE

New York Manager Winds Up Lecture Series of Accident & Health Club in That City

NEW YORK, May 22.—The second and final lecture of the series conducted by the Accident & Health Club of New York was held this week, A. J. Mountrey, manager accident and health department, Standard Surety & Casualty, giving the address.

He said the reason agents and brokers never have devoted much time to accident and health sales is that they know little about it. A survey of answers given on examinations for brokers' licenses in Pennsylvania clearly indicates this.

### Not Enough Study of Line

Apparently the majority of applicants had not even considered going after the accident and health line and therefore had not studied it. Mr. Mountrey believes the business has not been sufficiently advertised by companies and agents are not aware of the remuneration it offers.

He described what constitutes an accident and health policy. First, there must be an insurable value. Second, there must be the evidence of a possible loss of this value and the third point is establishment of a consideration stipulated in the contract.

Mr. Mountrey stressed importance of the application, telling of several instances where incorrect answers resulted in prorating premium or denial of claim. Dissecting the application blank, he explained fully the meaning and the reason for careful, precise answers.

### Notes Popular Tendency

One chief fault underwriters find with agents submitting a risk is that they try to fit the applicant into one of the designations in the manual instead of finding the class which fits the applicant. The prospect's occupation should be fully described in his own words. Unless this is done, he is likely not to be fitted into the right class and when a claim arises there will be trouble and dissatisfaction on his part.

Another factor which the agent must take into consideration is whether or not the prospect will be overinsured. The agent should find out what insurance the man carries in other companies so as to determine whether his weekly earnings exceed the weekly indemnity he would receive in case of disability. Serious thought also should be given to physical and moral status of the prospect. An incorrect statement on one question may invalidate the whole policy at time of claim.

In closing, Mr. Mountrey cautioned brokers to exercise thoroughness in their offices in copying and filing applications. Carelessness of a clerk can cost the broker many dollars.

L. W. Winslow, Fireman's Fund, chairman of the educational committee, announced that the next series of lectures probably will start in the last week in September and will cover all forms of disability insurance.

### Promises Rigid Enforcement

BALTIMORE, May 22.—W. R. Rudy, just sworn in as motor vehicle commissioner, promises a steady and relentless weeding out of violators—not a drive or campaign—coupled with the use of "an iron hand on revocations and suspension" of automobile licenses.

He declared that the number of people killed as well as the number of accidents in Maryland is entirely too large and that he intends to use every effort at his command to "cut down reckless driving," which he said is the principal cause of accidents.

## Gets Promotion



W. C. JAINSEN

W. C. Jainsen, who becomes vice-president of the Hartford Accident & Indemnity, for the last seven years has been claim and trial attorney for the company and has in addition been engaged in general trial work. He is a graduate of Brown and started in the Hartford Accident's Boston office. For a while he was in the navy, after leaving Brown, as a quartermaster pilot.

## Charge N. Y. Racketeers Back Bay State Insurance Group

BOSTON, May 22.—New York racketeers, formerly associated with Arthur Flegenheimer, known as Dutch Schultz, ex-beer baron and New York public enemy No. 1, are endeavoring to enter the insurance field in Massachusetts, it is charged by Commissioner DeCelles. The commissioner has been making an investigation of their activities and his report will be turned over to Governor Curley in a few days.

"Although no application for an insurance license has been filed in the name of Flegenheimer or Schultz," said the commissioner, "certain persons who have been associated with him are connected with a company which is seeking to do business here."

One of the men originally listed as backers of the group was murdered in New York early this year, bearing out the belief that the men interested in doing business here are racketeers with criminal tendencies. Counsel for the group, a prominent Massachusetts politician, called on the commissioner, he states, within ten days after his appointment and announced he was representing the group.

Commissioner DeCelles says if the preliminary facts found by the investigators are substantiated he will refuse to issue a license to the group. Information given out indicates the proposed company hoped to take over the writing of liability insurance policies under the compulsory automobile liability insurance act, on the large taxicab companies.

Timothy E. Dunne, well known Chicago surety man, announced this week his active entrance into the brokerage ranks in Chicago associated with Homer Gwinn & Co. Mr. Dunne is now a class 3 member of the Chicago Board. Since quitting his berth as manager of the surety department of the United States Casualty branch office in Chicago, he has been using the Gwinn office as headquarters. Mr. Dunne announces his annual Labor Day cruise of the Great Lakes will be repeated this year, many registrations already having been made.

## Suggestions Presented for Handling of Larger Lines

POINTS MADE IN NEW JERSEY

Equity Rating Committee Sets Forth Some Recommendations to the State Casualty Body

W. A. Schaefer, chairman of the equity rating committee of the New Jersey Casualty Underwriters Association, has made a report presenting some suggestions, which in the opinion of the committee should be applied to handling the larger public liability and casualty lines in the state. Among others he recommends:

"(a) That the one natural enemy of the stock companies is the participating company—stock or mutual—and all competitive plans should be fashioned to that end.

"(b) That all members of the New Jersey Casualty Underwriters' Association should be willing to come to an agreement to maintain the renewal quotation of the carrying company on all lines of \$500 premium per policy.

"(c) That steps to effectuate this plan should take into account the New York or other outside producer.

### Should Prevent Discrimination

"(d) That inasmuch as the public is indifferent to competitive problems between participating and non-participating companies but the public has a keen interest in anti-discrimination, means should be discovered for more scientifically rating these larger risks than the present rule-of-thumb equity plan. It is suggested that simple schedules could be prepared giving relative weight to (a) experience; (b) physical conditions; (c) morale conditions; (d) graded acquisition and expense loadings dependent on the premium."

Mr. Schaefer also stated that a stamping office should be established for all important risks as this would prevent unfair practices. The executive committee now has this matter under consideration.

### Fairness in Attorneys' Fees

The association authorized its compensation committee to cooperate with the state labor commissioner in working out a more satisfactory plan of paying attorneys' fees in compensation claims. The commissioner recently asserted that he has received many complaints that attorneys have collected 10 percent from the insurance companies and 20 percent from the claimants, whereas the legal fee is 20 percent as the maximum. It has been proposed that the companies pay the full attorneys' fees except in death cases where there is a widow with no dependents and important permanent disability cases and deductions be made at the rear end of the workmen's compensation awards. This now will be submitted to the companies for consideration.

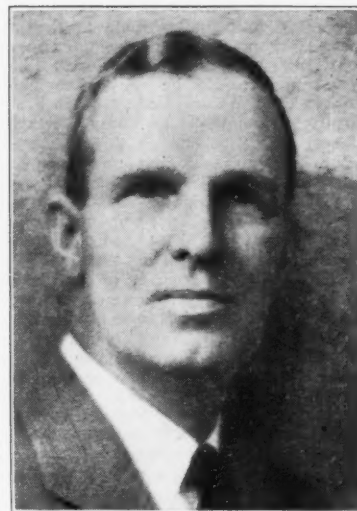
The annual meeting of the association will be held June 17.

### Evans Sees Improvement

ST. LOUIS, May 22.—The south-west, notably Texas and Oklahoma, is coming out of the business depression faster than the industrial east, Silliman Evans, president Maryland Casualty, declared here following a business tour that took him to the principal cities of Oklahoma and Texas.

Pointing out that the casualty insurance business is an excellent barometer of general business conditions, President Evans said that in recent weeks there had been decided increases in payrolls. The amount of new automobile insurance that is being purchased is another very definite indication of better times. Likewise the increased activity of surety companies in providing bonds for contractors indicates a revival of the heavy goods industries.

## Detroit Branch Manager For the F. & C. Is Dead



GEORGE J. LIEBER

George J. Lieber, resident vice-president in Detroit of the Fidelity & Casualty, and a leader in insurance affairs in Michigan, died, apparently from carbon monoxide poisoning, in his car in front of his home in Detroit. Early in April he underwent a serious abdominal operation, but the surgeons found there was no hope. He had a cancer.

Mr. Lieber was connected with the Freese agency of Detroit and was serving as president of the Michigan Association of Insurance Agents in 1930 when he accepted a position with the Fidelity & Casualty. He continued to take a keen interest in the affairs of the agents' association, however, and was frequently consulted by the leaders in the association.

He was an influential factor in the codification of the Michigan insurance laws in cooperation with Commissioner C. D. Livingston.

As one of the state's delegates to the National Association of Insurance Agents he took a place as one of its leaders. He suggested a revision of the National constitution featuring the creation of a national council composed of a representative from each state. The revision was adopted without material change.

His ability, recognized by the Fidelity & Casualty, led to an offer of the resident managership in Detroit wherein he was most successful until he fell ill last March.

Mr. Lieber was born in Milwaukee in 1884 where he graduated in law. He started in the claim end of the insurance business, served in various capacities with several companies, finally acquiring an interest in the Freese agency.

M. J. O'Brien, vice-president and agency superintendent of the Fidelity & Casualty, is in Detroit, attending the funeral.

### Illinois Code Delayed

SPRINGFIELD, ILL., May 22.—So busy is the Illinois legislature with relief legislation, the proposed new insurance code has been delayed again. The measure was to have been considered in the senate early this week, but will not be dealt with for several days at least.

In the house, where the bill is on second reading, the present business is the passage of a bill to increase the state sales tax to three cents to provide relief finances. The latter bill is expected to be passed before the week is up, and with that out of the way, the insurance code is expected to have clear sailing.

Governor Horner soon is to release a statement urging members to vote for it. The code bill needs 77 votes in the house and 26 votes in the senate.

### Citizens Casualty May Have Financial Setup Bolstered

A plan to bolster the financial structure of the Citizens Casualty of Utica and to put it actively in the field as an insurer of taxicabs is made known by Jack Hyman, who will become president if the program goes through. The head office would be moved to New York City. As of Dec. 31, 1934, net surplus amounted to only \$61,029. Capital was \$300,000.

Mr. Hyman said that new interests will put \$170,000 into the company so as to create capital of \$300,000, consisting of \$200,000 7 percent cumulative preferred stock and \$100,000 common, together with \$150,000 net surplus.

There will be a meeting of stockholders in Utica May 29 to vote on the proposal. Permanent headquarters will be at 116 John street, New York.

Mr. Hyman has operated an agency under the title of A. Hyman & Son, but this office has been closed. He states the company will probably write a participating policy. It will operate without agents except those who will be appointed to countersign policies in resident agent states. Business will be accepted from brokers.

The taxicab business will be written

on the monthly premium basis and therefore reserves will not be put up, enabling the company to get along on rather modest surplus. Bus lines and other public conveyances may also be written as well as taxicabs.

The company started in 1928.

### Agents May Start Finance Company

(CONTINUED FROM PAGE 3)

renamed. The executive committee also will select the secretary-treasurer. The "Palmetto Insuror," which was endorsed, will be continued as the official organ.

Retiring President R. M. Kennedy, Jr., was presented nine silver goblets, and W. H. Lawrence, publicity manager, was given a handsome desk clock in recognition of his efficient services as editor of the "Palmetto Insuror."

Speakers on the program were Insurance Commissioner Sam B. King and Chairman Kenneth H. Bair of the executive committee of the National Association of Insurance Agents.

Before embarking from Charleston the agents and visitors were guests of the Equitable Fire of Charleston at a buffet luncheon. The South Carolina

Fire of Columbia had arranged suites in the Seminole hotel in Jacksonville for those in attendance who spent the day in the city. About 60 agents were met at the pier by buses and went for a sight-seeing trip which included St. Augustine and Silver Springs. About 125 were in attendance.

#### Executive Committee Meets

Soon after leaving Charleston a brief meeting of the executive committee was held. This session was followed by the regular convention in the lounge, over which President Kennedy presided.

With adoption of the printed program as the official program of the convention, Past President Henry Moses secured adoption of a resolution calling for the president to appoint a committee to recommend a revision of the by-laws and constitution. The president appointed on the committee A. G. Furman, chairman; J. M. Green, J. O'Neill, Henry Lawrence and J. H. Woodside. The committee met the following morning in Jacksonville, re-drafted the constitution and by-laws and reported back at the final session of the convention.

President Kennedy, Manager Stuckey, Secretary-treasurer Woodside and National Councillor Green reported on their work during the past year. Quite a large part of the services of the manager had been with the various govern-

mental agencies, particularly with respect to insurance on cotton in South Carolina.

Reports of the secretary-treasurer showed the association to be in good condition financially, with a membership of 190. Reports were submitted by Chairman Robertson of the executive committee and Chairman Furman for the legislative committee. Regrets were expressed that Governor Johnson and Roy Jones, commissioner of agriculture were unable to be present.

The silver cup won by the South Carolina association and presented at the September meeting in Grand Rapids to the state association making the largest percentage gain in membership was presented to the convention.

Discussion centered about operation of the pool for handling HOLC insurance, Mr. Bair taking part.

Commissioner King presented prizes to the three high-school pupils who won the fire prevention contest staged by the association. The three winners, who were guests of the association on the cruise, are: Wendall Walters, Jr.; Anderson, \$300; Miss Eugenie Lancaster, Pauline, \$100; Miss Mary Louise Player, Orangeburg, \$50.

The usual resolutions of appreciation to the various hosts and speakers were adopted.

### Chicago Delinquency Plan Achieves Main Objective

(CONTINUED FROM PAGE 2)

and only two or three have had their licenses canceled.

Mr. Hamilton estimated that the factor of earned premiums uncollected by brokers amounted to only about 25 percent. It was observed by some of the field club members that the delinquent producers as a rule are the most energetic in collecting accounts from assured.

The present system was installed in January, 1933, after long deliberations over the situation, which for some years had been very bad. After trying a voluntary reporting method, it was reported at a meeting in June, 1931, that 63 member offices were not reporting delinquencies. In January, 1932, the rules were changed to include members delinquent for five or six months, and also reports on amounts outstanding. In November of the same year the Illinois insurance commissioner required quarterly reports of delinquencies of four, five or six months or more.

The present Chicago Board plan is mandatory. At the end of 1932 there were 1,143 delinquent over four, five or six months, with 588 for six months, total of items being \$119,000.

Mr. Hamilton also reported on the cancellation evil. In September, 1932, the system of reporting risks canceled with over \$10 unpaid was instituted. There are on file 12,000 cards, involving average earned premium of \$8.75 for a total of \$26,000. Mr. Hamilton said he had recommended to the Chicago Board that the cancellation plan be abandoned unless strict disciplinary measures are adopted. Such a plan must have teeth, he said.

The summer outing of the club, it was decided, will be held at Nippersink Lodge, June 14. President H. M. Abernathy, Glens Falls, presided at the meeting. A proposal to start a fire insurance school this fall was voted down.

#### Zurich Officials in East

The commanding officials in the United States office of the Zurich were all in the east last week. Manager A. W. Collins went to New York. Assistant Managers Neville Pilling and H. H. Fuller toured to Boston and then returned via New York, joining Manager Collins there.

W. L. Read of Cleveland, field representative of the Bankers Indemnity, has been made a Kentucky colonel.

**There are hazards and hazards in golf—  
an accident is one of the other kind**

Our Golfers' Liability Insurance Policy protects against loss from this cause, and the cost is small. Every golfer needs this protection.

Our Golf and Games (Sports) Liability Policy, at a slight additional cost, gives protection for various kinds of sports.

Agents are finding this field a profitable one.

**American Surety Company  
of New York**

(Organized 1884)

**New York Casualty Company**

(Organized 1890)

**HOME OFFICES IN NEW YORK**

**BOTH COMPANIES**

write  
Fidelity and Surety Bonds  
and  
Casualty Insurance



# CONSIDER

The facts. Automobile manufacturers are building cars more powerful and with more speed every day. Selling thousands more every month. All should be insured.

Again, consider — auto accidents increased over 16% last year. Killed 100 a day. Cost owners millions of dollars. And — more than 70% of registered autos are not insured. Virgin fields for the agent.

The business is there. Western and Southern Agents will get their share. Why? Financially reliable companies, sterling service and reputation, forceful, attractive and productive advertising. Why don't YOU write for information?

**THE WESTERN & SOUTHERN INDEMNITY CO.**  
**THE WESTERN & SOUTHERN FIRE INS. CO.**

Charles F. Williams, *President*

CINCINNATI, OHIO

William C. Safford, *General Manager*

## ACCIDENT AND HEALTH FIELD

### Detroit Sales Up 49 Percent

Results of National Accident and Health Week Reported at May Meeting of Managers' Club

DETROIT, May 22.—Accident and health agencies in Detroit showed an increase of 49 percent in applications submitted during National Accident and Health Insurance Week, under the stimulus of a half-day sales congress, a sales drive and award to the leading producer offered by the Accident & Health Managers Club, R. M. Rowland, National Casualty, president of the club, reported at the May meeting.

#### Lundquist Leading Producer

Reports submitted by the local agencies and companies writing this class of business in Detroit indicated that the average agency writes 581 applications per week, based on figures since Jan. 1 up to National Accident and Health Week. That week the applications received ranged from about the average

for former weeks to a 200 percent increase, averaging 865 for all companies reporting, a gain of 49 percent.

A. C. Lundquist, leading producer of the R. H. McKinnon agency of the Massachusetts Bonding, was awarded a certificate of merit as the leading Detroit accident and health salesman during the week. Mr. Lundquist wrote 47 applications that week, 45 of them being placed.

J. F. Collins, agency supervisor National Casualty and chairman of the program committee of the National Accident & Health Association, outlined the program for its convention to be held in Detroit in June and R. M. McKinnon, who has charge of entertainment, gave his plans. Mr. Collins predicted the convention will be the largest ever held by the organization by at least 50 percent, judging by advance pledges from the various clubs.

The Detroit club voted an appropriation to defray the cost of the Saturday evening party for the national convention, at which the local club will be host. Henry McCurrie, chairman of the golf committee for the Health & Acci-

dent Underwriters Conference, meeting just prior to the National association, extended an invitation to the club members to participate in "golf day," which opens the underwriters' meeting June 11.

### New York A. & H. Club Ends Season; Dr. Blum Is Speaker

At the season's last regular meeting of the Accident & Health Club of New York, with 100 members and guests attending, President W. F. White, Royal Indemnity, expressed gratification at recent activities of the club in an educational way, particularly the Accident and Health Week sales congress sponsored by the club, followed by a series of brokers' educational meetings. Ray L. Hills, Great American Indemnity, was elected editor of the club publication.

Dr. Henry Blum spoke on the relation of syphilis to accident and health underwriting and its effect on disability claims, illustrated with moving pictures. He has for ten years handled medical work of extensive subway construction in New York City, treating personally over 20,000 accident cases, and has acted as medical examiner and adviser to insurance companies for 14 years.

H. A. Usher, Aetna Life, first vice-president, announced that the first meeting next season, beginning the club's tenth year, will be a beefsteak dinner Sept. 26. F. G. Burgoyne, Maryland Casualty, will be chairman of that meeting. The club's annual outing will be held June 22 at Robin Hood Inn, Valley Road, Upper Montclair, N. J.

### Jones Agency Is Conducting Anniversary Accident Drive

The R. B. Jones & Sons agency of Kansas City is conducting a 30-day personal accident insurance campaign to mark its 46th anniversary. The Ocean Accident prepared a special policy for the occasion and it is likely that later the company may authorize the contract for general use.

The first day of the campaign there were more than 250 inquiries in response to circulars. There were 125 contracts closed, over half with premiums paid with application.

The policy is one that has been stripped of all "frills." It simply provides for an income at the rate of \$100 per month, for one day or for life, if the assured is disabled as the result of an accident. The cost is \$10 for office men, \$15 for physicians, \$13 for salesmen and \$16 for business women. The total amount that may be issued to any one person is \$500 per month.

#### Hoffman Gives Message

At the weekly breakfast meeting of the producers in the Jones agency last week, Briggs A. Hoffman, accident and health specialist in the Lawton, Byrne-Bruner agency of St. Louis, gave an inspirational message to stimulate the campaign and told what his agency had done recently in an accident campaign.

The quota for the campaign is 1,500 policies.

Incidentally the weekly breakfasts for producers of the R. B. Jones & Sons agency are interesting affairs. Those who attend are members of the "Early Worm Breakfast Club." The sessions are held at the Mission Hill Country Club, starting at 7:30 Wednesday morning and adjourning at 8:45. Very often outside speakers appear. A chairman is elected who serves for three months. The chairman currently is W. S. Mann, vice-president of the agency.

### May Broaden Membership

PHILADELPHIA, May 22.—The Philadelphia Accident & Health Association is considering bringing producers into its organization and also the industrial men, to form one large accident and health association. Presi-

dent Kenny brought up the subject at the May meeting and suggested that the members think the matter over for discussion at the June meeting.

The newly appointed membership committee was authorized to look into the matter of having a sales congress in the fall, with outstanding national speakers, and report at the next meeting.

### Boston Claim Men Elect

The Boston Life & Accident Claim Association at its final meeting of the season elected L. E. Doyle, claim examiner Massachusetts Bonding, as president. Other new officers are: Vice-president, J. S. Whittemore, secretary-treasurer, Eastern Commercial Travelers; secretary, H. F. Watters, Hooper-Holmes Bureau, treasurer, George Bacon, vice-president Massachusetts Accident.

There were 55 in attendance. Following dinner, a humorous, instructive talk was delivered by Rev. John Nicol Mark, who was one of the speakers at the last meeting of the International Claim Association.

### Joins Continental Casualty

F. T. Curran has been appointed an accident and health special agent in the New York metropolitan office of the Continental Casualty. For two years he traveled in the accident and health department of the Employers Liability in New York state and before that, for 10 years, he was associated with the Union Indemnity as field assistant in the accident and health department.

### Observes Fifth Founders Day

More than 100 charter members, officers and agents of the Central Catholic Casualty, Columbus, Neb., observed its fifth annual founders' day at a banquet. The principal speaker was C. P. Peterson, Lincoln, general counsel Bankers Life of Nebraska. Dr. E. G. Zimmerer, president, was toastmaster. In 1934, the company changed from an assessment to a mutual legal reserve basis.

### Paschall-Gist April Record

The Paschall-Gist Agency of the commercial accident department of the Pacific Mutual Life in Los Angeles reports that for the first time in 26 years it passed the \$20,000 mark in accident premium collections in April, a 16 percent increase over April, 1934. New paid business was the largest for any one month in its history, with old-timers and new-comers of the field force participating.

### New Hospital Benefit Form

The Reserve Mutual Casualty of Chicago is issuing a new hospital benefit policy which provides reimbursement for hospital expense resulting from either accident or illness up to \$8 a day for not to exceed 21 days in any policy year, including room at not to exceed \$5 per day and other general hospital expense with \$2 per day for not to exceed 30 days beyond the 21-day limit. It is required that hospital care be "actually necessary" and recommended by a duly qualified physician or surgeon. It does not include payment of any cost or fee to physician or surgeon or special nurse.

The annual premium for individual risks is \$12. It can be written on a payroll deduction basis at \$1 per month, where five or more risks have common employment.

### Doctors Back Compulsory Bill

The California Medical Association has gone on record unanimously reiterating its stand favoring compulsory health insurance. Approval of the compulsory health insurance bills now before the California senate and assembly also were unanimously agreed upon, with a few minor amendments which will not change the main purpose of the act.

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The Forgery Bond Shifts the burden of losses like these:

A FEW "CASE HISTORIES" OF RECENT FORGERY LOSSES		
Assured	Amount of Loss	Description
Department Store	\$ 13,619.06	Forged endorsement on 280 checks.
Savings Bank	1,288.71	Forged withdrawal orders.
Chemical Mfg. Co.	3,700.00	Signature forged on 100 checks.
Life Ins. Co.	819.01	Endorsement on check for proceeds from loan under policy.
Public Utility Co.	7,242.60	Purchasing Agent caused checks to be made out to fictitious persons—and cashed them.
Paper Mill	521.25	Payroll check forged.
Furniture Co.	14,531.37	Completely forged and altered 37 checks—destroyed all but two.

Practically all forgery losses originate outside the bank. Stolen checks, fraudulent endorsements, forged signatures are "outside jobs" which menace every checking account. Bankers, more and more, are urging their depositors to protect themselves as they themselves do, by safeguarding their accounts with a Depositor's Forgery Bond. In contacting bankers, bear in mind that each Depositor's Forgery Bond, besides protecting the individual depositor, also indemnifies the bank on which the check is drawn. Your local bankers should be glad to cooperate.

Inquiries from agents and brokers will be promptly answered.

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CORPORATION**

VINCENT CULLEN, PRESIDENT



## WORKMEN'S COMPENSATION

### Agree on Nebraska Court

#### Governor Cochran Gets Bill Providing New Set-up for Administration of Compensation Law

LINCOLN, NEB., May 22.—Both houses of the Nebraska legislature accepted the report of the second conference committee on the compensation court bill, and it now goes to Governor Cochran for his signature. He is expected to sign. This ends a twenty year old fight of organized labor to substitute a court for the commissioner, and it was announced in the house that the compromise measure meets also the approval of the insurance companies and employers. A court of three members, named by the governor, will hereafter administer the law. Salaries of the judges are set at \$3,000 a year with a clerk at \$1,800. The conference struck insurers from the list of those empowered to appeal from the findings of the court, leaving this right only with the employers and employees only. It also left in the law the provision that reasonable medical and hospital fees may be allowed, striking out \$300 limitations. The period of grace during which applications for compensation for injuries resulting from occupational diseases was extended by the conferees from four months to two years. The provision that where an added injury results in complete permanent disability the employer shall pay on the basis of the new injury's contribution to the disability. One house wanted 350 weeks payments and the other 300, and the compromise was fixed at 325 weeks. One house wanted a maximum of \$12 a week after the first 325 weeks for total disability and the other \$7.50. The compromise fixes this at \$10. Death benefits are drawn for 325 weeks instead of 350 weeks as at present.

### Compensation Business in New Jersey Shows a Profit

NEWARK, May 22.—At the annual meeting of the Compensation Rating & Inspection Bureau of New Jersey, the New Jersey Manufacturers Casualty, Aetna Life, Fidelity & Casualty and Lumbermen's Mutual Casualty, were elected to the board of governors. The annual report of A. R. Lawrence, chairman and manager of the bureau, showed that on New Jersey operations all stock companies reveal a net actual underwriting profit in excess of 4 percent. Expense ratios for both stock and mutual companies had dropped about four points as compared with 1933. Country-wide stock company loss ratios are ten points lower, and the mutual companies three points; the combined results aggregate slightly under 62 percent on direct business.

The report showed that rating results had shown a tendency toward a rising balance of credits under both instrumentalities and the procedure in the plan for granting coverage has continued without material change. It was announced that C. L. Schlier had been appointed statistician of the bureau. Thirty-nine company representatives attended the meeting. Mr. Lawrence presided.

### Oklahoma Increase Asked

OKLAHOMA CITY, May 22.—The National Council on Compensation Insurance has filed a petition with the Oklahoma insurance board, asking an increase in rates of 56 percent. Hearing was set for May 28. The request will be contested by the Associated Industries of Oklahoma.

Rates charged by the state fund would also be affected, as the law requires

that its rates shall be based on those of companies operating in the state.

The 1933 reports show 51 companies collected \$1,704,333 in premiums and paid out \$2,200,932.

### Await Ruling on Twin City Sewer Compensation Appeal

ST. PAUL, May 22.—Insurance men in the Twin Cities are awaiting with much interest the decision of the Minnesota compensation board on the blanket coverage petition filed with it by the trustees of the sanitary sewer district of the two cities.

The reason for the interest in the case is twofold. It will be the first case decided by the board since the Farmer-Labor party took over control of it this year and may afford some clew to the board's attitude on compensation rates in general. Of more immediate interest is the fact that the case has revealed a defection in the ranks of the Minnesota compensation rating bureau, maintained by the companies. When the rating bureau refused to make a flat rate for

blanket coverage on the sewer construction work, the trustees of the sewer project appealed to the compensation board. They had asked the rating bureau for a flat rate of \$18.60 per \$100 of payroll and claimed that four sound and reliable companies were ready to take the blanket form at that rate. The companies were the Travelers, Hartford, Associated Indemnity and Ocean Accident.

The project will cost close to \$18,000,000 and if the rate issue can be settled will provide the largest compensation business Twin Cities agents have had to work on for several years.

### Iowa Cancellation Rule

The Iowa department announces a requirement in connection with cancellation of compensation policies, which puts the system in that state in conformity with that in practically all the other states. Under the new requirement, cancellation is to be on the basis of the audited premium. The requirement reads as follows:

"Companies may provide in their cancellation clause that, in the event of cancellation, they may extend the actual remuneration during the policy period proportionately for the full original term of the policy, applying to such extended remuneration the customary

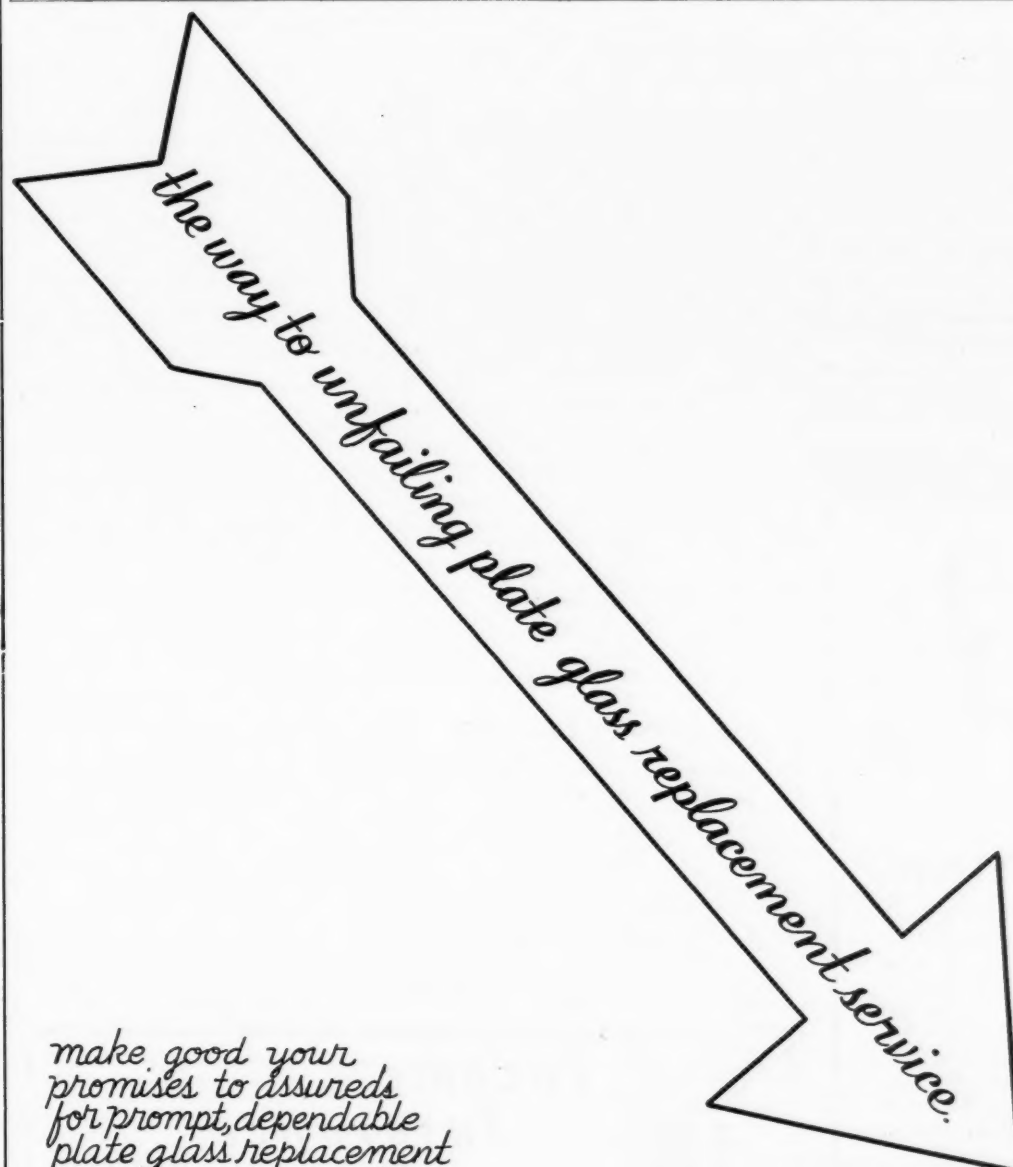
short rate or pro rate table and the rate or rates specified in the contract, unless such short rate or pro rate is less than the short rate or pro rate of the minimum premium, in which event the short rate or pro rate of the minimum premium shall be taken. Or, they may provide that, in the event of cancellation, the short rate or pro rate of the minimum premium shall be taken."

### May Only Cover One Entity

The Illinois industrial commission has issued a ruling to the effect that a compensation policy may not be issued to cover more than one entity. Heretofore, some of the companies have followed the somewhat loose practice of writing a policy in the name of a man as receiver. The intention of the company would be to cover that individual as receiver for a particular property or enterprise, but he might be receiver for several properties, in which event the insurer might be assuming liability that it did not intend to assume.

### Coughlin With Central Mutual

C. T. Coughlin has been appointed special agent of the Central Mutual of Chicago in Wisconsin. For some time he has been special agent of the Lumbermen's Mutual Casualty.



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## Mortensen Talks to Casualty Men

(CONTINUED FROM PAGE 31)

and compensation payments. The department has given careful study to this and has granted rate increases, believed justified, to adequately compensate the agent and keep down the loss ratio. Silicosis has been troublesome but this is being wiped out.

"In 1933 the department allowed and approved a 9.3 percent rate increase and in 1934 a 5 percent raise, a total of 14 percent in two years. Last year companies contended the 5 percent was not adequate and took part of the difference out of the agents' commissions. The commissioner contended this was not necessary but the companies blamed the department. If the companies could go along on the rates in effect before that,

they could also go along this year with paying the regular commissions to agents. This was borne out by statistics submitted by the companies to the department. The large increase asked would have placed an unsurmountable burden on industry of the state which is trying to regain its normalcy. On the other hand, the companies might adjust management expenses and overhead to meet the situation."

Turning to liability insurance, especially on automobiles, he said organizations such as the Milwaukee Board could help the department greatly by helping work out contracts on a uniform basis. Otherwise it will be almost impossible to get an adequate rate. Because of the present high costs, he said a number of mutuals are being organized but few survive, because they cannot adequately base rates, and lose money in attempting to operate at low costs.

"A study of territorial divisions for basic rates might help, while a standard automobile policy would be a great aid. The insurance laws in this field are inadequate and should be recodified. Standardized and simplified policies in clear, concise language would enable the purchaser of automobile liability insurance to compare policies intelligently and enable him to know what he is buying."

"In legislation the attitude of the department is to look after business for Wisconsin agents as much as possible," said Mr. Mortensen. "Formerly much business went to out-of-state agents and companies, and the state was deprived of taxes it was entitled to. By working to keep Wisconsin business in the state, this has resulted in \$300,000 to \$400,000 in commissions remaining in the state which would otherwise have gone outside. The department has a bill in the legislature to amend the insurance statutes by inserting the word 'casualty' in addition to 'fire' and requiring casualty policies also to be countersigned by resident agents who are to receive the commissions. This will keep the casualty business in the state for Wisconsin agents, and would build for the betterment of the insurance business in Wisconsin."

Urging a code of ethics for insurance, the commissioner called attention to the necessity of cleaning house and urged cooperation through organizations of agency forces.

Endorsing the ideas of cooperation and organization as necessary and helpful, Clarence Henkel, secretary-treasurer of the casualty board; J. G. Grundle, executive secretary, and W. B. Calhoun, president Wisconsin Association of Insurance Agents, spoke briefly.

Directors reelected were Frederick Kasten, H. B. Leedom, J. C. Brown and Otto Gaedke. The directors elect the officers.

### Vetoes Drivers' License Bill

Governor Davey, Ohio, has vetoed the Handley drivers' license bill because it was badly drawn. He said he would approve a good bill of this type. Another bill intended to correct defects in the Handley bill has already been passed by the senate and house but has not yet reached the governor.

Governor Davey has approved the automobile financial responsibility bill, stating, however, that he doubts whether the benefits accruing from it will be as substantial as many interested people have thought.

## Vetoes N. Y. Bill Providing Benefits for Silicosis

(CONTINUED FROM PAGE 31)

the vetoed bill, would have changed the date on which contributions to the insolvent carriers fund are to be made. At present, such contributions must be made at a time which is very inconvenient to the companies.

Under the New York law the governor has 30 days after the adjournment of the legislature to act on bills which are presented to him within ten days before adjournment. If he does not sign within the 30-day period they automatically fail. In the case of the proposed amendment to the insolvent carriers' fund law, it was hoped the last minute that he would approve it. The bill was vetoed by the governor personally, not by the "automatic" veto of letting it lapse.

### Many Compensation Bills

The 1935 legislative session was marked by an unusually large number of laws having to do with casualty insurance of which the majority of important ones concerned workmen's compensation insurance.

Three new laws of particular importance to the casualty business were enacted.

1. The measure creating workmen's compensation security funds, one for stock companies and one for mutuals, to guarantee payments to claimants in case the insuring company becomes insolvent. This law represents a compromise between the companies and Governor Lehman's original move to make compensation a state fund monopoly. The law also provides that the present value of awards made after July 1 for deaths or total permanent disabilities shall be paid into a special division of the state fund.

### Occupational Disease Law

2. The law extending the scope of the compensation law to cover deaths or disabilities from any and all occupational diseases, providing the last injurious exposure to the hazards of the disease did not occur before Sept. 1, 1935, the date the act goes into effect.

3. The law permitting injured employees to select any physician authorized by the industrial commissioner and barring insurance carriers, except self-insuring employers, from taking part in the treatment of injured workmen except to inspect compensation cases as to adequacy of treatment. Possibilities of abuse are feared in this measure. This law was later amended to permit companies to operate rehabilitation bureaus if authorized by the industrial commissioner.

A number of new laws broaden the application of the compensation law. Effective July 1, the term total partial disability, in the case of fingers is extended so that it includes not only loss of fingers and phalanges thereof but loss of use of these members, as well. As of the same date, the maximum compensation for permanent or temporary partial disability is increased from \$20 a week to \$25 a week.

The following laws are already in effect:

In case of subrogation, two-thirds of any recovery by the subrogee in excess of the compensation paid, plus expenses of medical treatment paid by the sub-

## Now a Director



H. P. LINN

H. P. Linn, vice-president in charge of the surety department of the Central Surety of Kansas City, was elected a director at the annual meeting to fill the unexpired term of Louis T. Rothschild, who died some time ago. Mr. Linn is one of the right hand men of President Dennis Hudson and is one of the big factors in that company.

rogee and expenses of the suit, is considered to be for the benefit of the employee.

Double compensation and death benefits shall be paid to minors illegally employed if they are under 18 and are working in violation of any rule previously adopted by the industrial board. Also, awards paid to minors shall be paid to or for the benefit of such minors and the industrial board may require appointment of a guardian where the award exceeds \$250 and may direct that such funds be paid for vocational training or for maintenance of the minor.

The industrial board now has 60 days instead of 30, after notice of appeal has been served on it, to serve and file its findings of fact.

### Employer Made Responsible

Where the question of policy coverage is raised by a carrier, the industrial commissioner may require the employer to post security for the amount of the award. If, on appeal, the award against the carrier is reversed, the carrier is relieved of liability, but not otherwise.

If a carrier or self-insurer fails to pay an award 30 days after its entry, where no appeal has been taken, or where an appeal has been taken and the award finally affirmed, and not paid within 30 days after entry of a final order, the industrial commissioner may enforce payment of such award by entry of judgment.

Where notice of appeal has been served and findings of fact and rulings of law have been prepared and served, the appellant cannot withdraw such appeal without paying \$10 to the attorney general.

Where an injury results in disability of more than 35 days, the compensation shall be allowed from the date of the disability.

### Volunteer Firemen Covered

The compensation law now covers volunteer firemen; also, at their election, manual training teachers in schools of cities having 1,000,000 or more population.

A new law provides for a division of self-insurance under the compensation law, which will mean that expense connected with deposit and withdrawal of

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securities, etc., will be borne directly by the self-insurers.

Outside of compensation important new laws include the following:

Personal injury actions, which formerly ceased or "abated" with the death of the plaintiff, may now be continued by the plaintiff's heirs. Also actions for personal injuries or "wrongful deaths" are not abated by the death of defendant, but may be continued against his personal representative.

To curb ambulance-chasing, it is made unlawful for an attorney to enter a hospital to obtain a settlement, general release, or statement, within 15 days after injuries were sustained unless the injured party gives notice in writing at least five days before the obtaining of release or statement. This does not apply to the injured person's lawyer.

A village officer and his sureties are now released from any liability for loss of funds due to insolvency of the depository, providing the village board, by written resolution, adopted by majority vote, approved such depository. Similar provision is made for boards of education.

Approval by the insurance superintendent must be obtained for contracts whereby a domestic or foreign insurer other than life at one time or during six consecutive months cedes more than 50 percent of its outstanding risks.

Companies are permitted to invest in mortgages insured under the National Housing Act. The ban on guaranteeing real estate mortgages is extended to July 1, 1936.

## Bureau Protests Free Hail Rule

(CONTINUED FROM PAGE 2)

storm policies came as a surprise to outsiders, although it was evident that the Bureau men were prepared for it. While no figures were quoted, it was freely admitted that practically every company represented had had a number of heavy claims due almost entirely to hail damage and that windstorm loss ratios in middle western territories were sharply up for the first quarter of the year. The general sentiment was that the change had been made too hastily and without regard for financial consequences.

The Bureau voted to take out group life insurance for its officers and employees and those of the Western Sprinkled Risk Association. The board of directors was commissioned to investigate the matter and report at the next meeting. There are about 50 employees of the two organizations.

The subscribers committee of the Western Actuarial Bureau met with J. V. Parker, manager, Thursday morning. Everyone appeared to be strongly in favor of the revised merchandise and fixtures form and the extension of the supplemental contract to business risks. Remarks such as "the most progressive steps in years" and "telling blows at marine and unaffiliated competition" were universal.

The nominating committee was composed of W. D. Reed, Northwestern National; W. E. Wollager, Concordia and E. E. Soenke, Security of Iowa.

Due to the death of James Smith of the Firemen's and F. S. Danforth of the Millers National, L. W. Brown and H. M. Giles of the same companies were chosen by the board to succeed them and Mr. Giles had also succeeded Mr. Danforth as treasurer. Two assistant treasurers were also selected to help Mr. Giles in his work. They are Treasurer A. I. Bushnell and Secretary A. A. Krueger, both also of the Millers National.

## Reinsures Glass Business

The New Century Casualty of Chicago has reinsured the Chicago plate glass business of the Union of Indiana, which closed its Chicago office in February.

## Fidelity-Surety Activities

### Beha Confers with Chicago Surety Men on Cost Issue

J. A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, was in Chicago this week to confer with the local surety department managers on the possibility of reforming the surety acquisition cost set up in Cook County. Attempts have been made perennially in the past, with many divergent views being expressed and with much jockeying for position. Never was a plan agreed upon, let alone being put into effect.

Now, there seems to be some hope for an agreement. The objective is to limit top commissions to the substantial, surety producing offices instead of paying the limit to every broker or agent who has a surety volume of \$2,000 or \$3,000.

The current discussions are being limited to Cook county, the rest of the state being passed by for the present.

### Kaufman Appointed Manager

A. A. Kaufman has been appointed manager of the bonding department in the northern California office of the Standard Accident in San Francisco. He has been with the Standard Accident in its bonding department since July, 1926. He graduated from the University of California school of electrical and mechanical engineering in 1926, and immediately thereafter went to work for the Standard Accident at San Francisco. In the meanwhile he took a law course at the University of San Francisco, receiving his law degree in 1931. He was admitted to practice in California the same year.

### Honor Foster & Messick, 30 Years U. S. F. & G. Manager

More than 200 United States Fidelity & Guaranty representatives, including 11 home office officials and guests participated in the celebration at French Lick, Ind., of the 30th anniversary of Foster & Messick as managers for Indiana and part of Illinois.

Agents present had qualified in a two-months campaign, resulting in \$174,307 new premiums, \$148,046 for the U. S. F. & G. and the balance going to the Fidelity & Guaranty Fire for automobile and marine business.

Howard Gescheidler of Hammond, chairman of the "governing committee" which engineered the campaign, was toastmaster at the dinner Friday night. Howard Bruner, on behalf of the agents, presented Mr. Foster and Mr. Messick each with beautiful watches and a volume containing more than 100 letters expressing friendship and affection. R. F. Davidson, counsel of the Indiana branch, and H. L. Sammons, who has represented the company more than 30 years at Kentland, made reminiscent talks.

Saturday was spent in sports and recreation. J. E. Martin of the Callender & Co. agency, Peoria, Ill., was toastmaster at the banquet Saturday evening. R. Howard Bland, chairman of the board, spoke feelingly of the early days of the company and this branch office. He read a letter written to the firm by his father, then president, 20 years ago. President E. Asbury Davis said he believed in sentiment in business. He said that the U. S. F. & G. had always been agency minded and that it would continue so. Mr. Davis presented the members of the firm a beautiful silver cup and said he hoped he might duplicate it in gold at the 50th anniversary.

Frank A. Gantert, president Fidelity

& Guaranty Fire, referred pleasantly to his early days in Indiana as special agent of the British America and Western Assurance. He made a strong appeal for sound principles in underwriting. Other speakers were H. D. Combs, vice-president and head of the claim department; Commissioner H. E. McClain of Indiana, and C. C. Bowers, claim manager of the branch office. The program closed with brief re-

marks from Mr. Foster and Mr. Messick.

### Schermerhorn Banquet Speaker

James F. Schermerhorn, formerly editor and publisher of the Detroit "Times," well known as an after-dinner speaker, has been secured as the banquet speaker for the annual meeting of the Health & Accident Underwriters Conference in Detroit, June 11-14.

Property  
Owners  
In Illinois  
HAVE CAUSE  
FOR CONCERN  
because of their



## LIABILITY FIXED BY THE ILLINOIS LIQUOR CONTROL LAWS

Many owners of property in which there may be a Tavern, or Liquors may be sold, are not aware of the severe penalties that can be imposed on them.

Under the ILLINOIS LIQUOR CONTROL ACT (February 1934) the PROPERTY OWNER—whether an individual, corporation, trust organization or otherwise—having control of property in which liquor is sold, also the TAVERN KEEPER or seller of liquor may be subject to heavy judgments.

The Real Estate and Personal Property of the Building Owner and Tenant may be sold to satisfy such judgments. Contracts are now issued granting protection against liabilities under the Illinois Liquor Control Act covering against claims for

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## Important Action at Arkansas Meet

(CONTINUED FROM PAGE 4)

code at the recent session of the legislature, laying it at the doors of the mutuals and reciprocals who resisted to the provision requiring them to supply qualifying bonds, just as are required of the stock carriers. "If it is right for stock and legal reserve mutuals to put up bonds it is right for all and if it is not right, the present law should be repealed. The strongest fight was made by some that do not post bonds and the policyholders do not have redress unless they go into other states," he said.

He particularly objected to the present law that permits mutuals and reciprocals to write surety bonds. "I believe that a company that does not have capital and no reserve should not write a contract for a third party who has nothing to say about it."

He told of the need for stronger investment laws and a law to govern rebating, all of which would have been provided in the code. He pledged himself to continue the fight until a law is passed that every legitimate insurance man will be proud of, or at least one that will be an improvement over the "conglomerate mess that we now have."

### Urge Agents Cooperation

Mr. Stredelman outlined the factors responsible for the very favorable loss ratio in Arkansas last year and he urged the cooperation of the agents in combating the losses of shady color and apparently of incendiary origin. He particularly recommended that the companies more often exercise their right to rebuild rather than make a cash settlement.

Mr. Leissler urged the Arkansas local boards to adopt cooperative advertising campaigns to acquaint the public with the Arkansas laws that have contributed to the persistently unprofitable experience of the fire insurance companies. He mentioned the valued policy law, the prohibition against the arbitration of a claim and the 12 percent penalty and attorney's fee that is attached to all claims in which judgment is returned for the assured. Despite the fact that fire premiums in Arkansas are the highest of any state, the companies lost money on their underwriting in recent years with the exception of 1934 and 1917, Mr. Leissler said.

### Urges Strong Action

In his annual report President Donham urged strong action against arsonists, suggesting that the proposed remedy for bank robbers be adopted: "Cash reward, dead or alive, for arsonists." Under the present arson law it is difficult to obtain convictions, and the punishment provided is insufficient, according to Mr. Donham. The excellent fire record of 1934 is not being carried over into 1935, due to serious arson fires. To correct this Mr. Donham urged more careful underwriting.

He made a spirited attack on shyster lawyers and doctors in discussing compensation insurance. There are too many alleged personal injuries developed by these unscrupulous personages, he declared.

Although the compensation business is experiencing a great many ills, it is hoped that it will still be possible to save the patient. This can be done by closer scrutiny of individual risks and an endeavor to see that the recommendations of safety engineers are complied with. Mr. Donham urged the agents to assume the responsibility for spreading the gospel that insurance companies are only organizations of individuals and the premium rate charged by them is based upon losses and expenses. The companies have developed costly machinery for dispensing compensation service and junking it would mean a substantial loss. The time has come for fuller cooperation of agents and special agents to save the business.

In discussing financed automobile

premiums, Mr. Donham said that finance companies have kept control of the insurance by falsely nursing the idea "that the finance companies must write the insurance." It will take a unified, persistent effort of a militant agency force to overcome this argument of the automobile dealers and finance companies. A number of effective weapons are suggested: Appeal to the licensing authorities to weed out automobile dealers who are insurance agents merely for selling insurance on financed cars; appealing to the automobile dealers through reciprocity arguments and a general educational campaign for the public. Mr. Donham also recommended that the agents make a drive to insure old automobiles so that when they are traded in on new cars the buyer will have a financial stake in the insurance premium if the finance company cancels short rate. Mr. Donham criticized mutuals and reciprocals, urging sole representation of stock companies.

To strengthen the agency system Mr. Donham urged that the agents do business only with companies who have proper regard for the agency system principles.

At the executive session there was considerable discussion of President Donham's proposal for a cash reward for the arsonists. It was pointed out that this would do much to convince the public that the agents are in earnest in their desire to see fewer losses and lower premiums, and that it would also act as a deterrent to many arsonists. However no formal action was taken.

The executive session unanimously authorized the continuation of the office of manager held by L. R. Martin of Pocahtontas, and the nominating committee in its report specifically recommended that the executive committee reemploy Mr. Martin. Mr. Martin reported that there now are 23 local exchanges in the state.

## Mutual Clearance Battle Launched

(CONTINUED FROM PAGE 1)

general. The field men have listened to the complaints of agents at the loss of business and have condoned the action of agents in taking on the representation of non-tariff or mutual companies to meet competition. The companies feel that the time has come to instill a more aggressive spirit into the field men and to cause them to champion forcefully the organization point of view against the cry of expediency.

The organization forces are becoming more militant on many fronts. Much literature is being circulated and the agents are being approached personally by field men and executives.

### Hint of a Rate War

One argument that has been effective is to be the effect that the organization stock companies are in just as good, if not better position, to cut rates and make other concessions as the non-organization companies. The surplus of the fire companies today is stronger than it has been for years and they are in a position to suffer a considerable underwriting loss, if necessary.

An agent might take on an outside company to meet competition and save a few risks. However, if the organization company should decide to meet fire with fire, the average premium of that same agent and his commission would take a downward course comparable to the stock market collapse in 1929. By taking on the outside company, such an agent is helping to create a situation that might conceivably cause the organization companies to let the bottom drop out of the rates. If that happens, the situation of the agent would be far worse than it is if he stands by his principals and loses a few risks to the easy market.

In Michigan, the agency plant is not only to be defended against the intrusion of mutuals, but an attempt will also be made to prove that the organization plant may not be entered by the

Pearl which has been particularly active in Michigan. It is reported to have received considerable business as brokerage and to have sent its supplies to some of the agents who have been brokering business with the Pearl.

## Commissioners to Have Fine Meeting

(CONTINUED FROM PAGE 1)

other diversion will await the party at Seattle. For the first afternoon, a boat trip through government locks to Leschi and a motor tour of the city have been arranged, with a dance and theater parties for the evening. The second afternoon will be reserved for a golf tournament and special horse races. A motor trip to Mount Rainier will consume the entire day July 11, and a banquet will be held the night of July 12.

Commissioners and their guests have been invited to remain over Saturday for an all-day boat trip to Victoria, B. C.

## Reports Given at Meeting of New York Local Agents

(CONTINUED FROM PAGE 10)

pass a resident agent's law. Mr. Rogers as chairman of the law and legislation committee praised the legislative work of Leonard Saunders of the New York Insurance Federation.

### Dodge Gives Report

As chairman of the casualty conference committee, Albert Dodge, Buffalo, reported that conferences had helped to promote better handling of the volunteer firemen's tax on outside companies and licensing of surety loss adjusters. A ruling was obtained that newspaper accident policies were not to be sold contingent on subscriptions. Some curbing of newspaper insurance activity has resulted. Efforts have been made, he said, to limit insurance branch office cost to an amount not exceeding commission return of general agents on an equal volume of business. On overhead writing the conclusion is that this should be covered in an agent's contract and violations of these contracts should be made widely known, naming the violators. He reviewed the three-year casualty policy rule making rate changes effective for unexpired terms but only for full units of one year or two years. W. H. A. Munns reported for the fire conference committee.

Fred J. Marshall, East Aurora, chairman of the farm underwriting committee, reviewed the loss experience for recent years which shows little improvement. A survey of Utica achievements in fire prevention was presented by Chairman J. H. Miller of the fire prevention committee, including formation of a general fire prevention committee upon which is a representative of each community civic organization. Through this committee a building code has been modernized, the sale of fireworks has been restricted, a municipal salvage corps has been established, fire safety education has been promoted, the city's base insurance rate has been lowered, and schools have been made safer against fire loss.

George Dietrich and Warren Day advocated more intensive public education. Mr. Day said no local board could afford not to do local newspaper advertising. Charles H. Tuke questioned the possibility of much improvement in highway safety until the state government expends gasoline tax funds with a greater sense of safety as a purpose of the state.

Home office officials at the Syracuse convention included W. F. Ashby, vice-president Globe Indemnity; L. T. Brown, secretary America Fore; R. C. Hosmer, president Excelsior Fire; E. C. Knapp, assistant secretary Aetna Casualty; Archibald Kemp, vice-president Firemen's; F. J. O'Neill, president, Royal Indemnity; C. W. Pierce, vice-president, America Fore companies; S. A. Mehorter, Home; A. L. Ross, assistant secretary Crum & Forster; C. E. Trinder, vice-president Royal Indemnity; C. S. Roberts,

## PERSONALS

James B. Slimmon, secretary of the Aetna Life and its affiliates, is critically ill at the Hartford Hospital.

Nearly 70 executives and department heads of Omaha and Lincoln companies attended the luncheon given in Omaha in honor of Harold R. Gordon of Chicago, executive secretary Health & Accident Underwriters Conference. Mr. Gordon spoke on the history of the conference and its present activities, including legislative, legal, statistical and bulletin service. He reviewed some of the legislation that has come up this year and emphasized the necessity of getting across to legislators and insurance department heads the fact that accident and health insurance should not properly be classed with the general casualty lines and should not be subjected to the requirements that may be imposed on casualty insurance in general.

Commissioner C. K. Withers of New Jersey will be one of the principal speakers at the annual convention of the National Safe Deposit Association at Asbury Park, N. J., June 7-8.

A. Duncan Reid, president of the Globe Indemnity, was a Denver visitor this week. A luncheon was held in his honor.

## Glass Proposals Withdrawn After Some Consideration

Two proposals which would somewhat have changed the plate glass policy were considered by members of the plate glass department of the National Bureau of Casualty & Surety Underwriters, but were withdrawn. One was for optional exclusion of explosion coverage with allowance of a discount. Another was to cover damage due to fire.

It was the consensus that the fire coverage provision was unnecessary and confusing since loss of plate glass resulting from fire is now payable under the standard fire policy. If this was included in the glass policy there would be necessity for working out in each case some basis of contribution. In regard to a credit through exclusion of explosion coverage, it was felt the present glass policy is clear and the proposed change would have introduced complications.

### Bond Rates Reduced

Revised rates for forgery protection on securities bonds have been put into effect by the Towner Rating Bureau. The scale for branch offices of the assured is only 50 percent of the former rate. Existing policies may be given advantage of any rate decrease but on the short rate cancellation basis.

Instead of only one classification in standard form No. 3, there are now two. One is composed of investment banking houses, stock brokers, industrial bankers and Morris Plan companies. This group is subject to the old rules.

"All other classes" are subject to this rule: "Minimum penalty of any insuring clause or subdivision of insuring clause A, which shall not be issued for less than \$2,500. Minimum aggregate penalty of bond \$5,000; minimum aggregate annual premium \$50."

The same division as to classes is made under standard form 4, the first group being subject to the old rule and all other classes being subject to this rule: "Minimum penalty of any insuring clause \$1,000; minimum aggregate penalty of bond \$5,000; minimum aggregate annual premium \$15." The only change in rates is one from \$5 to \$7.50 per \$1,000 for insuring clause A.

agency superintendent, Indemnity Company of North America.



# RECENT COURT DECISIONS

## CASUALTY & SURETY

### Decision as to Reinsurance

#### Appeal Bond Reinsured 100%—Assured Settles Claim After Insurer Fails—Reinsurer Absolved

The general rule that payments by a reinsurer on account of a loss under a contract with a company that failed becomes part of the general assets of the failed company and is not earmarked for the particular assured has been upheld by the United States district court for the eastern district of New York in *Meyer Kornblum & Son vs. Excess of America*.

Meyer Kornblum was originally insured in the Hudson Casualty. Later the Public Indemnity reinsured the Hudson and assumed the liability on this policy. The Public Indemnity defended the suit against Meyer Kornblum and judgment was entered against Kornblum for \$10,000.

#### Made Arrangements with Excess

The Public Indemnity, in order to stay execution of the judgment, arranged with the Excess to issue an undertaking in lieu of the rejected undertaking of the Public Indemnity. There was a limited time in which the Public Indemnity could act and there was filed by the Public a binder from the Excess confirming 100 percent reinsurance of the Public Indemnity undertaking on appeal from the judgment. This letter was filed in lieu of the rejected undertaking of the Public Indemnity. The appellate division dismissed the appeal. Prior to that dismissal, the Public Indemnity had gone into receivership. Therefore Meyer Kornblum tried to collect from the Excess.

#### Clearly Reinsurance

The higher court held that the letter from the Excess to the Public Indemnity is clearly one of reinsurance. The obligation of the Public Indemnity to the judgment creditor was to pay the judgment. Meyer Kornblum paid the judgment or enough of it to satisfy the judgment creditor. It would seem to follow that the undertaking of the bond of the Public Indemnity had been fulfilled. Kornblum has a claim against the Public Indemnity but the Public Indemnity is unable to pay. Thus Kornblum is in the position of being among the general creditors of the Public.

The Public Indemnity, on the other hand, may have a claim against the Excess and if this claim exists it must be for the benefit of the general creditors and not for the specific benefit of Kornblum.

#### Fails to Find Policy, Out of Luck

If the assured in his lifetime fails to apprise the beneficiary of the existence and location of an accident policy and thereby prevented timely proof of death, the assured took the risk, according to the United States circuit court of appeals, sixth circuit (Ohio) in *Maryland Casualty vs. Nellis*.

Dr. Nellis, the assured, died in 1923 of blood poisoning originating in a scratch. His son stored a good many of his father's effects in an attic, thinking them of no immediate value. He did not find the policy until 1925. The court held that the condition that proof of death must be furnished within two months from the time of death is definite. The terms used are simple and must be taken and understood in their ordinary sense.

### Liable Under Notary's Bond

#### Court Overrules the Contention That No Damages Recoverable Because Instruments Notarized Were Valueless

The Indemnity of North America has been held liable by the California district court of appeals for the fourth appellate district under a notary's bond. The court overruled the contention of the surety that no damages are recoverable because the instruments notarized were valueless irrespective of the presence of the false certificates of acknowledgment.

Frank Wells was the notary. The Hemet Home Builders Association brought the action, charging that Wells made false certificates of acknowledgment which were attached to three trust deeds received by the Hemet association as security for payment of three promissory notes drawn in the Hemet's favor as payee. Wells was the notary and a real estate broker, being president of the Riverside County Title Guaranty Co., which was also a defendant. Wells prepared the trust deeds and signed the instruments, using the names of fictitious persons and acknowledged the execution of the trust deeds with the names of such persons before himself as notary.

The higher court held it is idle to argue that the delinquency of Wells in making the false certificates was not an efficient cause of loss. No burden rested upon the Hemet association to show that this delinquency was the sole cause of its loss. The California code provides: "For the official misconduct or neglect of a notary public, he and the sureties on his official bond are liable to the parties injured thereby for all the damages sustained."

However, the court reduced the amount of the judgment in favor of the Hemet association by \$1,656 which was the amount of principal and interest paid by the surety under another action against Wells. The amount of the original judgment in favor of the Hemet association was \$5,000, the full penal amount of the bond.

### Holds Policy Non-Cancellable

#### Contract Carried Words "Non-Cancellable" in Large Type But Had Cancellation Provision in Small Type

Actual and punitive damages have been awarded by the North Carolina supreme court against the Benefit Association of Railway Employees because of failure to renew for an assured an accident and health contract, which carried in large type the words, "Non-cancellable." The assured was Schultz, an employee of the Southern Railway Company. Despite the statement that the policy was non-cancellable, there was a provision in small type that the right is given to refuse to accept premiums on the policy for a renewal period. Schultz paid all premiums and in 1933, after the policy had been in force eight years, the company canceled.

The higher court held that where an insurer refuses to collect premiums and it is clearly shown that the intention of the company is to cancel out policies which are existent and upon which rights have accrued, such action on the part of the company will sustain a verdict for punitive damages. The policy is ambiguous. It is a trap to catch the unwary. It was conceived to compete

with other companies in an effort to hold out the belief that the policy was substantial and non-cancellable. It was so understood by many of the policyholders to such an extent that the vice-president had to write to the insurance commissioner an explanatory letter. The provision that the policy was non-cancellable was a good selling point but it did not develop to be a good paying point. About the time the policy was canceled, Schultz developed an ulcer of the stomach and is no longer insurable. This would give basis for actual damages if the policy was, in fact, non-cancellable and if the company wilfully refused to accept premiums, punitive damages would be sustained for the breach of the contract.

### Must Pay Unearned Premium

#### Container Corporation Liable Under Policies for Its Joint Benefit Protected by Independent Contractor

The Container Corporation of America has been held liable for the unearned premium on policies taken out by an independent contractor which were endorsed to protect the Container Corporation as well as the contractor. The decision was handed down by the Pennsylvania supreme court, eastern district in *Concord Casualty & Surety vs. Hemphill, et al.*

Hemphill made a deal with the Container Corporation to haul merchandise of the corporation in his trucks. It was provided that Hemphill should procure and keep in force liability insurance on the truck in favor of the Container Corporation and Hemphill.

#### Hemphill Didn't Pay

Hemphill didn't pay the premium and the policies were canceled. The Container Corporation resisted payment on the ground there was no agreement to pay the premiums and that at the time the policies were ordered the agent was told by Hemphill of the terms of his contract with the Container Corporation.

The higher court held that the defense is insufficient to prevent judgment. It is a situation in which the Container Corporation at its own request was made a named insured. It is of no moment that Hemphill, under his contract, was liable for the premium. The Concord Casualty was not a party to this arrangement and cannot be bound by it. It is of no importance that the agent knew of the agreement between Hemphill and the Container Corporation. He had no authority to issue policies insuring two parties under an agreement and look to but one for payment. The Container Corporation secured the benefit of the policies while they were in force and cannot be heard to complain of being obliged to pay for that advantage now.

### Clerk Not Liable for Error

A clerk of the court, who incorrectly informs an attorney of the result of a trial, is not liable when he was not acting by virtue of his office or under color thereof. This was the decision of the Alabama supreme court in *Lee vs. Fidelity & Deposit*.

Mims was clerk of the circuit court of Chilton county and the F. & D. was his bondsman. The attorney inquired of Mims by mail for the results of a certain trial. Mims gave incorrect information and the attorney relied on this and did not discover the misinformation until it was too late to move for a new trial.

The supreme court held that if Lee

## FIRE & MARINE

### Policy Not Actually Issued But Liable for Assessment

In order for a person to become a member of a mutual company and be liable for assessment, it is not necessary that a policy be actually issued and delivered to him. This was the decision of the Nebraska supreme court in upholding judgment for the Kearney County Farmers Mutual against Howard for an assessment upon a wind-storm policy.

Where an agent of a mutual tornado company, with authority, accepts from one, qualified to become a member, an application for membership, stating the kind, amount and term of insurance, collects the membership fee, appraises the property and transmits the application and membership fee to the home office, and the secretary enters on the proper record the fact of the receipt of the application and membership fee, designating policy number and the amount, kind and term of insurance, according to the application, and retains the membership fee, a contract of insurance is effected, making the company liable to the applicant in case he sustains a loss and also making the member liable for proper assessments made.

### Intoxication Found to Be Difficult Fact to Prove

The difficulty of producing satisfactory evidence that a person has been in an intoxicated condition is indicated by the decision of the United States circuit court of appeals for the fifth circuit (Louisiana) in *Provident Life & Accident vs. Dance*.

Dance died as the result of an automobile accident. He had an accident policy in the amount of \$5,000 with the Provident L. & A. There was testimony from a number of witnesses tending to show that the insured was driving his car straight, there was no odor of liquor on his breath or in his car and there was no liquor in his car. Several other witnesses were found during the day who testified he had not been drinking and had no appearance of being intoxicated. Two doctors and two nurses who treated the insured when he was brought to the hospital, testified that in their opinion he was intoxicated.

The higher court held that the testimony of the doctors and nurses was based purely on the fact that they observed an odor of liquor on his breath and when he vomited. It was quite possible someone had given the insured a drink after the accident or he might have had a drink some time during the day, which would give out an odor when his stomach was empty. If there were any competent evidence tending to show that the insured was not intoxicated at the time of the accident, there would be enough to sustain the judgment.

had applied to Mims for a verified copy of the verdict and Mims had sent him an incorrect copy, this would have brought the matter within the influence of sub-section 14 of section 6723 of the code. It was not a part of Mims' official, ministerial duty to advise Lee of the result of the trial and in responding to the request of the attorney, he acted merely as a gratuitous agent.

# GO PLACES



**T**HE caption of this advertisement and the title of the article by one of The Employers' Group Branch Managers happened, by coincidence, to be one and the same. The article in question conveys the idea we wished to convey in this advertisement. For fuller explanation see the May issue of The Employers' Pioneer.

The May issue will also help the insurance agent or broker who wants to "go places and do things" when it comes to increasing his production of Burglary premiums. The claim cases make interesting reading and the selling arguments are specific and therefore helpful. Should you wish to "go other places" you'll find too, in the May issue, articles on automobile safety, bonding, and fire insurance.

We wish to call your attention to the interesting comparison in the article "Which Will You Choose?" This article should be valuable to the agent or broker who gets into a general discussion of the trend of the times, with prospect or policyholder. Such discussions are hard to avoid these days and we believe that in The Pioneer we should give our agents something which would

be a real contribution to any such discussion in which they might become involved. May we also call your attention to the changes regarding operating pressures and speeds for Boiler and Machinery Insurance.

To get your copy of the May issue, simply address your request to the Publicity Department, 110 Milk Street, Boston. There is absolutely no obligation on your part, should you decide to get this particular issue of this publication which is edited by insurance men, for insurance men. The Employers' Group, publishers of The Employers' Pioneer includes the world's pioneer in liability insurance, The Employers' Liability Assurance Corporation, Ltd.; The Employers' Fire Insurance Company and the American Employers' Insurance Company.

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